INTERSTATE MIGRATION

HEARINGS

BEFORE THE

SELECT COMMITTEE TO INVESTIGATE THE INTERSTATE MIGRATION OF DESTITUTE CITIZENS
HOUSE OF REPRESENTATIVES

SEVENTY-SIXTH CONGRESS
THIRD SESSION

PURSUANT TO

H. Res. 63, 491, and 629

RESOLUTIONS TO INQUIRE INTO THE INTERSTATE MIGRATION OF DESTITUTE CITIZENS, TO STUDY, SURVEY, AND INVESTIGATE THE SOCIAL AND ECONOMIC NEEDS AND THE MOVEMENT OF INDIGENT PERSONS ACROSS STATE LINES

PART 8
WASHINGTON, D. C., HEARINGS

NOVEMBER 29, DECEMBER 2, 3, 1940

Printed for the use of the Select Committee to Investigate the
Interstate Migration of Destitute Citizens

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INTERSTATE MIGRATION

FRIDAY, NOVEMBER 29, 1940

House of Representatives,
Select Committee to Investigate
The Interstate Migration of Destitute Citizens,
Washington, D. C.

The committee met at 10 a. m., in the caucus room, Old House Office Building, Hon. John H. Tolan (chairman) presiding.

Present: Representatives John H. Tolan (chairman), John J. Sparkman, and Carl T. Curtis.

Also present: Robert K. Lamb, chief investigator; Henry H. Collins, Jr., coordinator of hearings; Creekmore Fath and John W. Abbott, field investigators; Ariel V. E. Dunn, and Alice M. Tuohy, assistant field investigators; Irene M. Hageman, hearings secretary; Richard S. Blaisdell, editor; Harold D. Cullen, associate editor.

The Chairman. The committee will please come to order.

Commissioner Young, we will be glad to hear you as the first witness this morning.

For the purpose of the record, will you please give me your name, your official position, and state in what capacity you appear before the committee today.

TESTIMONY OF J. RUSSELL YOUNG, COMMISSIONER, DISTRICT OF COLUMBIA

Mr. Young. Mr. Chairman, I appear before you this morning as a member of the Board of Commissioners of the District of Columbia. I have filed a statement with you, of which I will give you a brief summary.

(The matter referred to is as follows:)

STATEMENT OF COMMISSIONER JOHN RUSSELL YOUNG, BOARD OF COMMISSIONERS, DISTRICT OF COLUMBIA.

Washington, D. C., is unique among the cities of the Nation because it is the Nation's Capital. Being the seat of the Federal Government, many of the citizens of the Nation from the several States not only come as visitors but also come in search of employment, to secure benefits due them under Federal legislation, and to utilize the various facilities that it offers. The life of Washington has a national character. Much of its ground area and public services is devoted to the Federal Government. Its biggest industry is employment in the Federal service.

The public welfare and health facilities of the Government of the District of Columbia, therefore, are inevitably drawn upon to a considerable extent for service to nonresidents coming to Washington because it is the Nation's Capital. The statements filed with this committee by the Director of Public Welfare and the Health Officer of the District of Columbia give more detailed, supporting information on this point.

In the early thirties, particularly during 1932 to 1935, the heavy influx of nonresident persons into the District of Columbia brought problems of public care and service in which the Federal Government recognized a large responsibility. The Transient Bureau was financed from Federal funds. Other services calling for return of nonresident persons to their home States were cared for from Federal sources. Following 1935 Federal assistance for the nonresident problem was discontinued. The extent of the problem did diminish following 1935 but it continues to represent a heavy drain upon the community's resources.

The Government of the District of Columbia can readily give service and organize the necessary public welfare and health care of nonresidents while they are in the District of Columbia, but the cost of rendering that service and giving that care, in view of much of it being due to the existence of Washington as the Nation's Capital, can very properly be viewed as a joint responsibility of the Federal Government with the Government of the District of Columbia.

It would seem entirely sound, therefore, that some form of Federal aid for the public welfare and health service to nonresident persons should be extended to the District of Columbia. Such Federal aid could very properly follow the precedent of matching of Federal with State and local funds as in the highway and social-security program. Under such an arrangement the Government of the District of Columbia would administer the necessary services for care of nonresidents with the financing jointly shared by the District of Columbia and the Federal Government.

TESTIMONY OF COMMISSIONER J. RUSSELL YOUNG—Resumed

I think you will find in investigating or studying this problem of migration in Washington that there is a peculiar situation here, entirely different from that in any other section of the country, due largely to its geographical location and the fact that Washington is unique because of its position as the National Capital. As the result of that fact, a great many people come here thinking there are a lot of jobs available. Most of them are misguided into believing that there are a lot of jobs waiting for them here. Many of them come here thinking they will get a chance to make some money on their way north or south, where they get employment due to the seasonal changes in occupations.

We, of course, are doing everything we can to help them. We have an organization here. We can take care of a certain number, but, as you know, it is a question of money.

Take the situation, for instance, in the fall of 1933, when there was a great influx of people. We established what was called a transient bureau. I think that was entirely financed by Federal money. That took care of the problem for several years, to a great extent, until about 1935 when the situation was eased, but it was not entirely eliminated.

We have had a problem ever since.

I think you will find out from Mr. Boudy, our welfare director, and from Dr. Ruhland, the District health officer, who will appear before you later and give you the details, that to a great extent, this problem is due to the peculiar relationship between the District and Federal Governments.

We have the facilities for giving aid and for health service, but inasmuch as this problem, to such a large extent, is attributable to this being the capital city, I think you will find, in your conclusions, that the Federal Government has a large responsibility in connection with this matter; and I think if it were put on the basis of a 50–50 proposition so far as financial help is concerned, it will go far toward the solution of the problem with which we are faced.

It seems to me the Federal Government has such a responsibility. For instance, they might go along the line of matching our money, as they do in the case of highways, and also in connection with social security. Mr. Bondy, the Director of the Public Welfare Board of the District, and Dr. Ruhland, have all the details in connection with that, and they will be glad to go into those matters. I can just touch upon them.

I can tell you, however, on the basis of some figures from the police, just what sort of police records the transients have had.

I think during the last 6 months or 12 months about 70 percent of the vagrants arrested here are what the police refer to as transients.

A great many of the transients arrested had criminal records. I think that, out of the total number, 37 were wanted in other cities for murder. Of course, that is a small percentage compared with the total number of arrests.

I think also the police records show that a large percentage of them hang around missions and charity places, trying to get help at night, and a good many of them do nothing but loaf around the city.

That about summarizes the statement I have given to you, Mr. Chairman, and the details will be furnished by Mr. Bondy and Dr. Ruhland.

The CHAIRMAN. Commissioner Young, this committee started with its hearings in New York City, and continued them in Alabama, in Chicago, in Oklahoma, and in California. So far, the record discloses that no part of the country is entirely free of the migration problem.

But the record also discloses, as to those people, particularly as to those who leave farms and go to other places, that there comes a time when they cannot make a living because of the worn-out soil and other things. American citizens will not starve standing still, so they move—4,000,000 of them moved last year.

We went into the police end of the matter, to which you have referred, and we would like to have you put into the record any figures you have in connection with that.

Mr. YOUNG. Those figures I have do not necessarily cover that, because that takes in a lot of people whom you might not call transients. They might not be classed in that group that you are working on now. There is, of course, the transient who needs help.

The CHAIRMAN. What this committee is deeply interested in is figures indicating the approximate number of migrants or transients here, so we can get the facts. You have proposed one solution that we have in the record many times.

One of the great problems in connection with this whole matter is that of the settlement laws of the United States, with the time necessary to qualify for settlement running from 6 months up to 5 years.

You might be interested to know that the census report is being held up because hundreds of thousands of such citizens have lost their settlement in one State, and have not been able to establish a new settlement, so they do not know to what States to allocate them.

Mr. YOUNG. That would apply to this police record also. They may have been here for years, but do not claim Washington as their place of residence.

The CHAIRMAN. One of your solutions is—of course, the committee has made no recommendations yet—that the principle of grants-in-aid to States be applied to the District of Columbia.

Mr. YOUNG. I say if you study the situation here, it seems to me it is very obvious that the Federal Government has a large responsibility, because there is no question in my mind, and I think there will not be in yours, that a large percentage of these people are drawn here merely because this is the Capital of the United States, and they are looking to the Federal Government for some benefits. There may be a veteran, for instance, coming to the Veterans' Administration, and then some of them hear of civil-service positions that are open. That draws people here. Some of them think that a lot of shipbuilding is being done here, and they come here and become stranded.

Mr. CURTIS. Mr. Young, do you have any figures or any tabulation by which you could tell us from where most of your nonresident relief families come?

Mr. YOUNG. Mr. Bondy has that information in his detailed figures. He can give you the statistics on that.

Mr. SPARKMAN. Mr. Young, I would like to ask you one question. I was interested in your suggestion in reference to grants-in-aid, such as those given to various States, to take care of this problem. But I believe you said it might be done in the same manner as is done with reference to social security. Would you base that upon an exact matching by the States, or would you base it upon need?

Mr. YOUNG. I would say it should be based upon the need. That is a detail that probably Mr. Bondy's figures will bring out. I would not want to go on record as saying definitely just how that should be based, but I would be tempted to say it should be based on need, as the aid for highways is based on need.

Mr. SPARKMAN. Of course, the Social Security Board has recently recommended that the allotment be according to need, rather than offhand matching.

Mr. YOUNG. Offhand, I would say it should be based on need.

The CHAIRMAN. We thank you very much for your statement, Mr. Young.

Mr. YOUNG. I thank you, Mr. Chairman.

The CHAIRMAN. At this point the Chair takes pleasure in introducing the chairman of the Committee on the District of Columbia of the House of Representatives, Hon. Jennings Randolph. We will be very glad to have a statement from you at this time, Mr. Randolph, in reference to the matter which this committee has under consideration.

TESTIMONY OF THE HONORABLE JENNINGS RANDOLPH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA AND CHAIRMAN, COMMITTEE ON THE DISTRICT OF COLUMBIA, HOUSE OF REPRESENTATIVES; ACCOMPANIED BY MISS MABEL HALLER, ASSISTANT CLERK, COMMITTEE ON THE DISTRICT OF COLUMBIA, HOUSE OF REPRESENTATIVES

Mr. **Randolph**. Mr. Chairman, I deeply appreciate the opportunity of coming before your committee this morning.

When I received your invitation in a letter under date of November 18, I realized that my schedule called for me to be out of the city today. But I did return from West Virginia to Washington this morning so that I might show by my presence here that we appreciate the problems which confront the District of Columbia and nearby States in relation to the migration of destitute citizens and others who come here to the National Capital, asking for help.

If I might, I should like to say that I really was surprised at the scope of your investigation.

This problem is so far-reaching and so important that I feel this committee should be complimented upon the thoroughness with which you have gone into the problem which confronts you.

I hope that in the next few days when you will make a recommendation, and of course a report to the House, that recommendation will be accepted and adopted.

This morning I wanted to say that, as you know, the Committee on the District of Columbia of the House is a legislative committee, and, due to our peculiar set-up in the District of Columbia, not a small number, but a large number of men and women do come to the offices of the Committee on the District of Columbia of the House.

Not desiring, of course, to ask the indulgence of the committee for too long a time, I have requested Miss Mabel Haller, the assistant clerk to the Committee on the District of Columbia, to come into the room this morning so she can verify statements which I want to make, and have the record show the correctness of them.

Miss Haller and other members of my staff are faced with this problem to a greater extent than I have realized. I am told that there is a daily average of from three to five persons who come to the offices of the Committee on the District of Columbia, seeking help, from the standpoint of food or shelter, or any type of work they can get to tide them over.

I think that in some instances those individuals come to us because they have been told that we have a Committee on the District of Columbia functioning.

Miss Haller, have those individuals been to other agencies in the District before they come to us?

Miss **Haller**. As a usual thing, they are people who have come into the District and have probably been here for 1 or 2 days, but have been unable to obtain any assistance.

Mr. **Randolph**. Where have they gone for that assistance?

Miss **Haller**. They go to various private agencies which are unable to take care of them, and then they come to us.

Mr. Randolph. These are people usually equipped and able to do work only on certain jobs?

Miss Haller. They are unskilled and untrained for any technical work. As a usual thing they are unskilled laborers, or people who have lived in small towns, who have finished high school, but have had no positions.

Mr. Randolph. From what States do they come, usually?

Miss Haller. From all over the country, because they are brought here by the information they have received that the Government has positions for both skilled and unskilled laborers, and who think that if they can get positions with the Government it will bring them higher salaries.

Mr. Randolph. Mr. Chairman and members of the committee, if there are any questions you desire to ask in reference to this particular matter, we will try to answer them.

I want to express my very deep interest in this subject, and I do hope that your hearings will be productive of good, practical results which will be translated into any needed legislation which Congress might desire.

The Chairman. I want to say that as this problem has begun to unfold, we who are particularly concerned with it have been startled at the implications involved.

Mayor LaGuardia, of New York, was the first witness before our committee, and he said 5,000 people were deported from New York State last year, and that State expended $3,000,000 a year for the care of nonresident citizens.

There are statutes in some States making it a misdemeanor for a citizen to cross State lines. South Dakota makes it a felony to transport an indigent citizen into the State.

I make this suggestion to you, that in considering this matter we will have our record before us, and it will be open for at least the next 10 days. When you revise your remarks, I will be glad if you will extend your discussion of the matter to include the situation in West Virginia. We will be glad to give you that permission.

Mr. Randolph. I thank you, Mr. Chairman, and I will be glad to show you the situation as we see it.

Mr. Curtis. In reference to those people who come to the offices of your committee, about whom you have told us, are they families or for the most part individuals?

Miss Haller. For the most part they are individuals.

Mr. Curtis. Mr. Randolph, knowing that the problem exists, do you feel that it is a problem, the answer to which lies at the points from which those people come, or is the remedy to be applied by Congress as to the manner of caring for them and getting them to their destination?

Mr. Randolph. I feel that there is a real responsibility on the authorities back home. I have felt that for quite some time.

I realize, of course, that it is not easy always for the local community or any political subdivision at the place of origin to take care of that situation. So many of them are just roving about that it is hard to keep your hands on them.

Mr. CURTIS. Of course, in the District of Columbia it does present a problem different from that of the States and it is entirely possible that some remedy may be applied here, while it is not necessary that the same procedure shall be applied throughout the various States. Is not that true?

Mr. RANDOLPH. I am sure that that is largely correct.

The CHAIRMAN. I want to call attention to this fact, that the causes of this migration of destitute citizens include the drying out of the soil, unemployment, and other causes. So there probably will not be any single answer to the question.

One possible solution, as the record will disclose, is to keep them at home. But there comes a time when they cannot stay at home. They may have a farm which has dried out. They will not starve standing still, and they are going to move.

We had a hearing in Lincoln, Nebr., in the State in which the district of the gentleman from Nebraska, Mr. Curtis, is located. The record discloses that one-half of the people in his district had to leave.

Do you know that in the Great Plains States they lost 1,000,000 people last year? You had in the Great Plains States, where the soil was productive, at one time 5,000,000 acres, but 25 percent of the topsoil was gone.

The Farm Security Administration has taken care of about 500,000 people in the stricken States, but there are about 1,000,000 more to be taken care of. So, finally, they proposed a solution to keep them at home.

Mr. RANDOLPH. May I proceed for another moment, following that observation? In West Virginia we have had in the last few years a tremendous mechanization of coal mines. In my congressional district, composed of 15 counties, the eastern county within 55 miles of the District of Columbia, 9 of those counties have been bituminous coal-producing counties. They have mechanized all those mines. Within the last 2 weeks I have talked with a mine operator who had attempted to keep from mechanizing his mine, so as not to bring about a condition of unemployment. But he had to compete with other mines in that locality.

Today, with the coal-loading and cutting machines, there are approximately 150 miners producing as much coal as 300 were producing before mechanization began. That means 150 men thrown out of employment, and the problem is acute in that locality.

Those miners who have been going down into the darkness of the mines and digging the coal cannot adjust themselves to other conditions. They have worked so long at that type of employment that it is most difficult for them to get themselves in line with other work, and they wait, wait, and wait, looking for work.

Also, we find that in our steel mills in West Virginia, with the improved methods of production, other men are being laid off. And I know of an instance of one installation of one mechanized piece of equipment in a glass factory which displaced 11 workers.

I am sure that what has taken place in West Virginia in the coal, glass, and steel industries is taking place all over the country.

It has become a very vexing problem, and I hope and believe this committee will make recommendations which will help to improve the situation.

The Chairman. We thank you very much for your statement, Mr. Randolph.

Mr. Randolph. I am very grateful to you, Mr. Chairman, for giving me this opportunity to express my views on this important subject.

The Chairman. I now take pleasure in introducing as the next witness Mr. Philip E. Ryan, director, inquiry and information service, American Red Cross, and former executive secretary, Council on Interstate Migration.

TESTIMONY OF PHILIP E. RYAN, DIRECTOR, INQUIRY AND INFORMATION SERVICE, AMERICAN RED CROSS

Mr. Ryan. I am employed as director of the inquiry and information service of the American Red Cross. I speak this morning, not so much as a Red Cross representative, but as one who for a number of years has worked with the problems with which you are concerned.

Mr. Sparkman. I have read your prepared statement with much interest, and I wonder if you would like to discuss that further.

Mr. Ryan. I would like to give you a digest of it.

I have followed with a great deal of interest the work of this committee from its original organization, because for a number of years my work has been closely associated with the problems of interstate migration. I think this committee has a real opportunity to point the way toward the solution of these problems.

Now, in reference to the sources from which I draw this testimony I am giving you, I would like briefly to outline my experiences in this field.

My first contact with the problem came in the winter of 1932–33 as assistant director of the first experimental camp for homeless men in New York State. In the following year the Federal transient program was organized, and I served in various positions there, both in the field and in the central office of the transient division of New York State. Following the liquidation of the Federal transient camp program, I became executive secretary of the National Committee of Transient and Homeless, and also of its successor, the National Council on Interstate Migration.

This experience gave me a national point of view, because the Federal organizations throughout the country had representatives in the various organizations concerned with interstate migration.

In the fall of 1938 I was engaged with the New York State Department of Social Welfare in a special study of the New York State program for nonsettled persons in that State.

In September 1939, the Council on Interstate Migration had to close its doors, and its work has been carried on by the National Travelers' Aid Association. Since that time I have been employed by the American Red Cross, but have been allowed to maintain my interest and contacts in connection with interstate migration.

That completes the presentation of my background material.

But you are concerned this morning with the problems of interstate migration as they affect the District of Columbia. You will probably hear again of the lack of facilities for their care and the lack of funds for the care of nonresidents, and the problem which they present before District officials here.

I also hope that in your consideration of the problems in the District of Columbia you do not lose sight of the fact that no State, no city, nor the District of Columbia, can solve or meet the problems which are presented, alone. The real transient, or migrant, comes from one place, sojourns briefly in many places, and eventually lands in some place else where he tries to settle down. There are also to be considered the technical migrants who, because of settlement or residence laws, may not have a local settlement, even though they may have been away from their home towns only a short time, or may not even have left it at all. These people, too, must be considered migrants.

Just as in the fields of interstate commerce and interstate transportation, no State can handle the problem alone. It is true that in connection with the business of migration you must have the assistance of a higher governmental agency.

In order to control the problems of the movement of people and the redistribution of population, no locality alone can solve those problems, unless it has the cooperation of other cities and States and the National Government in a well-rounded, far-reaching program.

This is really a national problem requiring national attention.

If the solution is to be found, it requires a coordinated program, in which the cities and States have administrative responsibility, as well as responsibility for financing.

So, in the District of Columbia, as everywhere else, you will find that the migrants present many different kinds of problems. We are just now beginning to realize that the migration of people has an effect on nearly every phase of community life. It creates problems related to education, health, employment, family life, civil liberties, housing, and, of course, relief.

This should not be a startling discovery. After all, these are the things with which people have difficulties, and transients are people. In the case of transients, however, the difficulties are multiplied because they lack residence status in the community. That is not strange; it is not a strange thing to realize. These problems of education and so forth arise because people are people. You and I and every man in this room have problems of education and health, and employment, and so forth, and we have them because we are people, and not because of any particular geographical location in which we may live. And it is about time we begin to treat these people who are transients as people, and not just as statistics or some other thing to be studied without considering their individual problems.

My remarks this morning, Mr. Tolan, are directed toward two aspects of the problem with which you are concerned. And I want to make two recommendations in the light of those aspects. In the first place I want to talk briefly about the problems of providing relief for transients, and, in the second, to point to the need for some continuing responsibility in the Federal Government to direct efforts toward the solution of these problems.

The provision of relief alone, of course, will not solve the problem. As you have said here, there is not one technical method that is going to solve the problem of relief alone, but such provision will help a great deal toward solving the acute problems in the temporary emergency.

Prior to 1933, the responsibility for providing aid to the needy rested almost entirely upon the localities. Of course, there was some help from the Federal Government, but the depression increased the load so tremendously that the Federal Government established the Federal Emergency Relief Administration, by which assistance was given to the State in caring for needy people, and a Federal agency was established for transients, the Federal Government assuming the entire responsibility.

After the fall of 1935, that program was continued through another agency; since the W. P. A. was established in the hope that the Federal Government would assume responsibility for providing jobs to the employable unemployed.

The Social Security Act provided some relief to the States in caring for the resident load of unemployed groups, and caring for the aged and blind and dependent children, but the residue that are not provided for through the medium of the Social Security Act, and for whom there is nothing available, fall entirely on the States without any Federal aid. This is the group that requires relief, general relief. The States, with their limited funds, are incapable of caring adequately for that group of people.

The Chairman. Could I interrupt you right there?

Mr. Ryan. Certainly.

The Chairman. As I understand, what you indicate is that there are two approaches to the possible solution of this problem: First is what you might call the short term, which means food and clothing and shelter; and, second, the long term, possibly including the resettlement of these groups. There are really two approaches.

Mr. Ryan. That is right, Mr. Chairman. I am aiming my remarks at this time toward the short-term solution, and that is urgently necessary; and the second recommendation, which I am about to describe, works toward the long-time solution of the problem.

Our States, without enough money to care for their own resident groups who need real aid, have been unable to provide care for the nonresidents, that particular group for which the Federal Government had at one time assumed total responsibility, in a program that seemed to lead the States to the acceptance of them as needy people.

Now we are faced with the new situation with regard to this problem, because people used to say that, just as soon as the factory whistles began to blow, the transient problem was going to be solved and we would not have transients looking for work any longer. But, factory whistles are blowing with the added impetus given through the national-defense program, and we still have the transient problem, possibly aggravated.

More people are getting jobs; that is true, but more people are on the move in the hope of getting jobs; they leave one place, just as you gentlemen have found out, in the hope of getting a job at some other place.

And, Mr. Chairman, we cannot just talk about 4,000,000 migrants; we have got to talk about another group, this group that has been sitting, has not been moving, but now in the hope of jobs, is going to start moving from place to place, facing such situations as that at Jacksonville, where Camp Blanding is being built. The possibility of finding jobs has resulted in a tremendous number of people moving into that small area.

There is no shelter for them; there are no sanitary facilities. These men go there with their families, and stand in line night and day in the hope of getting a job.

Many of them have been employed, others are there in the hope of getting employment, and more are moving about in the hope of getting work either there or at some other place in this program.

It is taxing the resources of the health officials and their facilities, public and private, everywhere to meet the problem and furnish aid in caring for the hundreds of thousands of people who are moving in the hope of getting work.

That situation is reproduced throughout the country, I believe, particularly because of the plan, as I understand it, to build for the defense program in small localities where people are located, with the result, however, that many of these transients are moving into the small communities in the hope of securing employment. Many of them were considered just tramps and bums, but now they are regarded as employable labor because they are needed. It is just a difference in point of view. Some of them, as I say, are tramps and bums. Others are migrants seeking work and are on the move under the impetus of this defense program solely in the hope of getting jobs.

This movement of people from one section to another particularly affects the small communities which are not capable of doing more than taking care of their own residents. Yet many of these people are moving into these communities in the hope of getting employment—in the hope that they might get on the pay roll—are in need of relief. And there is no question but that the small communities are unable to furnish this assistance.

In order to preserve our resources, both natural and human, which are so vitally a part of our whole country, it is necessary to provide relief for these people who are in need. It is my belief, Mr. Chairman, that the best way to provide that relief is by the establishment of a division under the Social Security Act of what you might call a fourth category.

Now, that fourth category, for general relief, would establish the rules under which these people should be helped, with such assistance as they must have. In other words, to provide for the people who have been described here, those who are not now cared for under the three categories of the Social Security Act and for whom work on public projects is not available or suitable. It is the residue group that needs help, and it is through the establishment of this fourth category to which I have referred that such help can be given. I believe that offers the best opportunity to solve the problem that arises from the settlement and residence laws, because we can make these grants to the States, having general relief, contingent upon the States' willingness to care for all needy persons requiring help in those States, regardless of settlement or residence requirements.

Those are the points I wanted to bring to your attention, Congressman Tolan, in connection with the long-time problem. There are many Federal agencies, departments, and commissions which, of course, have been interested in this problem and the various aspects connected with it. I think, in fact, there are some 25 Federal agencies that have something to do with it. There have been studies made by different departments and agencies, and there should be some central agency to coordinate these efforts.

This Tolan committee has again shown the interest of the Federal Government in the problem of interstate migration. There needs to be within the Federal Government some central agency to continue to direct attention to the problem with which you are here dealing. There needs to be some central agency to which the States and their localities can come in dealing with the multiple problems involved in interstate migration. And there needs to be established a national policy in dealing with interstate migration.

For that reason I think that this committee should include in its recommendations a proposal that there be established in the Federal Government a national commission on interstate migration which would have the responsibility of dealing with the things which I have just enumerated.

Let me conclude by giving a brief summary of the two recommendations: One, that there should be added to the Social Security Act a fourth category for general relief which possibly could be best described as one to aid the other three categories, to take care of those for whom work is not available or suitable and to provide aid to those unable to obtain relief because of the settlement and residence requirements of the States.

And my second recommendation is the establishment of a Government or national commission on interstate migration.

The CHAIRMAN. Mr. Sparkman wants to ask you some questions.

Mr. RYAN Yes, sir.

Mr. SPARKMAN. I want to ask you one or two things regarding your recommendations.

Mr. RYAN. Yes.

Mr. SPARKMAN. I was interested in both recommendations that you made and a great many points throughout your narration.

First, let me ask you a question with reference to grants-in-aid to States for general relief. As I understand your recommendation you would set up a fourth category within the social security law?

Mr. RYAN. That is right.

Mr. SPARKMAN. And would provide for grants-in-aid from the Federal Government to the States in order to carry on this general relief program?

Mr. RYAN. That is right

Mr. SPARKMAN. Do you think that it is better to set up a separate category under the Social Security Act or simply provide for transient relief?

Mr. RYAN. I think it is preferable to set up a separate category. We have had experience with the entire problem, particularly with regard to transient aid, and I believe could handle the work very well. The other aspect is this, that if you have to distinguish between transients and residents there would be a temptation on the part of the States to classify as transient as many people as possible—to turn the people into this other category because of the possible responsibility of the Federal Government.

Mr. SPARKMAN. As a matter of fact, that is what is happening now in the reverse, the States have taken care of their residents, to the neglect of the transients.

Mr. RYAN. Yes.

Mr. SPARKMAN. Because they do get Federal aid.

Mr. RYAN. They do get it.

Mr. SPARKMAN. I mean they are now taking care of their own resident cases?

Mr. RYAN. Yes.

Mr. SPARKMAN. Through the various categories of the Social Security Act to the neglect of the transients.

Mr. RYAN. In the various States the general relief is set up to take care of the aged and to take care of the blind, and many of them take care of dependent children, and the general relief poor are ill cared for because of lack of funds.

Mr. SPARKMAN. And because a dollar goes twice as far with the resident as with the transient.

Mr. RYAN. That is particularly true with the aged.

Mr. SPARKMAN Yes. How would you provide the aid to the States; strictly on the basis of need?

Mr. RYAN. I am not sure. I can see problems on both sides, and I believe that a considerable amount of study has to be given to the whole problem in considering the question of whether it ought to be on a straight 50–50 basis. I am afraid I am not in position to give you a definite recommendation at this time as to the better method.

Mr. SPARKMAN. Certainly when the States are required to match dollar for dollar a great number that need relief most get the relief.

Mr. RYAN. That may be true. I am afraid I am not in a position to make a satisfactory recommendation at this time.

Mr. SPARKMAN. I was also very much interested in what you said about various defense jobs being created, particularly in small communities. Now, where are these small communities going to find themselves when the emergency blows over?

Mr. RYAN. Where are they going to find themselves?

Mr. SPARKMAN. Yes; what is going to be their relief problem then? They will be in hot water, will they not?

Mr. Ryan. They find themselves in hot water even before the emergency has blown over. Thousands of people are coming into the communities that are without adequate educational facilities, without sanitation facilities, and without sufficient food supplies; communities with limited facilities with which to meet the requirements of the thousands of people who are thrown upon them. Of course their problem will be that much greater when the emergency dies down and these people become jobless. Those who have been working on the defense program will find themselves out of employment.

Mr. Sparkman. With the result there is going to be a greatly increased migratory problem.

Mr. Ryan. Definitely.

Mr. Sparkman. I was also interested in what you said about the elimination of settlement and resident laws. One of the solutions to that problem, of course, is the removal of the great variation in these laws.

Mr. Ryan. I see an opportunity to overcome the difficulties in the settlement and residence laws by broadening and extending the administration of public welfare. This is the method of overcoming that particular difficulty. There may be some advantage to the residence and settlement laws in some instances, but the suggestion that has been made here this morning does not necessarily limit itself to the residence and settlement laws; the real question is: how are you going to take care of the relief program, the general relief of everybody within the State.

Mr. Sparkman. Do you think there is a greatly reduced need in the relief program as a result of defense activities?

Mr. Ryan. It is certainly true that more people will get jobs; whether those people will come from W. P. A. or general relief, or from people who have been employed in other industry that is slowing up, it is hard to tell. There probably would be a decrease in the amount of need felt by local residents in the particular place, because many of the residents will be given a job first, but there will be a great increase in the need among the nonresidents, because that group that has started to move is the group that is on the road, and does not come within the settlement requirements for getting relief.

Mr. Sparkman. In other words, while you are building up one end the other is coming down.

Mr. Ryan. While you build up one you cut down your general relief; you build up the transients.

Mr. Sparkman. How would this national commission on interstate migration which you recommend be appointed?

Mr. Ryan. Probably by Presidential appointment.

Mr. Sparkman. In other words, you would set up another Government commission or agency for handling that one problem?

Mr. Ryan. For continuing to direct the attention of the country—to serve something like the Tolan committee is doing—to coordinate the work of the Federal Government and work out remedies for the various aspects of interstate migration as you have seen the whole problem of interstate migration presented. There are many Federal agencies dealing with the problem in its various aspects, but there needs to be this continuing central organization which can carry on the work.

Mr. Sparkman. That is all I wish to ask you.

Mr. Curtis. I want to inquire into one of the suggestions which you made. As I understood it, you said the Federal Government should, among other things, control the movement of people through the States. You mean that there should be restriction or prohibition against the movement of people because they are destitute or because they are penniless, and that they would have to get permission to go from one end of the country to the other?

Mr. Ryan. Absolutely not; there have been already too many restrictions on the rights of people under the Government to move from one State to another. You have heard testimony in regard to deportation cases, and so on, which I believe can be attacked as being entirely unconstitutional. My reference to control is directed almost entirely to the kind of thing contemplated by the unemployment service, to the furnishing of information to people going from one place to another looking for jobs, to overcome the waste in the misdirected movement of people in the hope of finding employment somewhere. For instance, 5,000 people may be wanted and 50,000 people may apply. That cannot be restricted by rigid Government control, but direction can be given to people in the form of suggestions and information.

Mr. Curtis. The next thing I was going to ask you about is this: You have had a wide experience and have made a valuable statement to the committee. Have you found, in your experience, that there is a lack of accurate information available for these people who start out to find work at some place?

Mr. Ryan. I think that practically every study that has been made on the subject of labor shows a lack of available information about what possible opportunities there are in the place for which migrants are headed.

Mr. Curtis. Do you think private employment agencies that operate on an interstate basis are a good thing?

Mr. Ryan. I have not had close experience with private employment agencies operating on an interstate basis. I have read and talked with representatives, and talked with people who are somewhat familiar with the system of the so-called row boss and the padrone, who import labor for agriculture work—primarily across State lines—and the experience of those with whom I talked is such that they condemn the padrone or row-boss system.

Mr. Curtis. I wish that, for the record, you would be a little bit more explicit as to what this new commission would do, because this committee could not say, merely, that a new commission should be set up and that would solve the problem.

Mr. Ryan. I hope you will not just say that.

Mr. Curtis. That is where many others have failed.

Mr. Ryan. I believe that I could present to you at a later time a prepared statement containing the special duties and responsibilities of such a commission if the committee would like to have it. I will be glad to do that.

Mr. Curtis. As I understand its major function would be a sort of clearing hourse of information on the problem.

Mr. Ryan. That is correct.

Mr. Curtis. That will be changing from time to time?

Mr. Ryan. Yes; I am sure that is true, and it has been changing.

Mr. Curtis. And this problem will be in the reverse when the defense work is over.

Now, you understand there are standing committees in both the House and the Senate on Interstate Commerce, with adequate personnel, without enlarging the Federal Government, that deal with the problem, make special studies and deliver their information to the entire Congress. In that connection a clearing house of information focusing attention on this subject, such as standing committees on migration in the two Houses of Congress would probably meet the need.

Mr. Ryan. Members of such committees would be subject to change at 2-year intervals.

Mr. Curtis. Possibly.

Mr. Ryan. Possibly change. I have not considered the possibility of a standing committee in Congress as a possible agency, but I believe there are other duties and responsibilities that this commission would have that possibly should not be assumed by a congressional committee, or at least standing congressional committees. I have not given enough thought to the setup of a congressional committee to say just what they are.

Mr. Curtis. This commission, if it were appointed, would deal with the short-time remedy as well as the long-time problem.

Mr. Ryan. It would depend upon the aid to be given, if short-time aid, but certainly it would have to direct attention to that; but the result is the same, to work toward a solution of the whole problem through some central agency.

Mr. Curtis. I am very much interested in your recommendation; we have had a lot of suggestions but this is the first time we have had a recommendation for the creation of a new commission.

Mr. Ryan. There may be people who say there are too many commissions, but if there is a job that needs to be done and it can be done by a commission, that is no reason for not appointing another one.

Mr. Curtis. That is all.

The Chairman. Really there has not been any problem as important as the migratory problem that has been so badly neglected. Do you feel that way, Mr. Ryan?

Mr. Ryan. Well, I am not sufficiently experienced with other problems to know how badly they have been neglected.

The Chairman. Our records disclose, Mr. Ryan, that there have been instances of private employment where people would come up to a State line after they had met with unemployment problems in other States.

Mr. Ryan. Yes.

The CHAIRMAN. Of course, we have had jurisdiction where they cross State lines, but one of the bad situations we have had presented to us is the way they were treated; the lack of information, too much misinformation. They start out to some place from some point where they do not have employment, and they start out with their families. Perhaps they have farmed all their lives, and they get information which leads them to believe they can find employment elsewhere, and they are now found living in poverty, without any means of support.

The point I am trying to make is this: That it does not help the national morale, it does not help our national security to have such a condition. To my mind it presents a serious Federal question to have this migratory group of people constantly increasing in these overnight camps. Yet they were given the best information then available to them. I am of the opinion that something of this kind might be helpful.

Mr. RYAN. I think that some extension of the Farm Security Administration would help a great deal. Certainly it does not contribute to the general morale of the people to permit them to continue to live under conditions such as you have seen in these migratory camps, and especially since men of military age would certainly be brought into the National Army in the event of an emergency.

The CHAIRMAN. Mr. Ryan, within the next few days if you will present for the record, especially in answer to Congressman Curtis' question with reference to special duties of this commission, we will be glad to have you do so. And I want to say that I think you have made one of the most intelligent and helpful statements that have been presented to us.

Mr. RYAN. Thank you very much.

TESTIMONY OF DWIGHT RICHARDS, WASHINGTON, D. C.

The CHAIRMAN. State your full name for the record.

Mr. RICHARDS. Dwight Richards.

Mr. CURTIS. How old are you?

Mr. RICHARDS. Fifty-six.

Mr. CURTIS. Are you married?

Mr. RICHARDS. Yes.

Mr. CURTIS. Is you wife living?

Mr. RICHARDS. Yes.

Mr. CURTIS. She is living with you here in Washington?

Mr. RICHARDS. Yes.

Mr. CURTIS. Do you have any children?

Mr. RICHARDS. No.

Mr. CURTIS. Do you have any employment at this time?

Mr. RICHARDS. Yes.

Mr CURTIS. What kind of work?

Mr. RICHARDS. Work Projects Administration.

Mr. CURTIS. In the District of Columbia?

Mr. RICHARDS. Yes.

Mr. CURTIS. How long have you been on W. P. A. work here?

Mr. Richards. Well, this last time I think I have been on right about 3 weeks; I am not just sure the first day. I have not been paid yet.

Mr. Curtis. When did you first receive W. P. A. work in Washington?

Mr. Richards. In 1935.

Mr. Curtis. What particular type of work have they assigned to you?

Mr. Richards. Labor.

Mr. Curtis. Ordinary labor. You are in good health?

Mr. Richards. Yes; I guess I am.

Mr. Curtis. Reasonably so?

Mr. Richards. Yes; according to my age.

Mr. Curtis. How long have you lived in Washington?

Mr. Richards. I have been here 5 years; since 1935.

Mr. Curtis. Where were you living prior to 1935?

Mr. Richards. I was in Texas.

Mr. Curtis. In what place in Texas?

Mr. Richards. In Houston and Galveston.

Mr. Curtis. How long did you live in Texas?

Mr. Richards. I was there about 4 or 5 years.

Mr. Curtis. What work, if any, did you have in Texas?

Mr. Richards. Well, I was working as a bar-candy salesman; selling candy and stuff like that, and when I went to Galveston I helped on a banana boat.

Mr. Curtis. Doing what?

Mr. Richards. Unloading banana boats, and stuff like that.

Mr. Curtis. Mr. Richards, are you a native of Texas?

Mr. Richards. No; a native of Ohio.

Mr. Curtis. You went directly from Ohio to Texas?

Mr. Richards. Yes.

Mr. Curtis. You left Ohio, then, about in 1931; did you?

Mr. Richards. Yes; I left around that time in the summer.

Mr. Curtis. Up until your going to Texas, had you spent most of your time in Ohio?

Mr. Richards. Yes; most of my time.

Mr. Curtis. You were born there?

Mr. Richards. In Columbus, Ohio.

Mr. Curtis. How much of an education have you had?

Mr. Richards. I went through common school.

Mr. Curtis. Since 1935 have you stayed right here in Washington?

Mr. Richards. No; I left last May and went back home.

Mr. Curtis. You went back to Ohio?

Mr. Richards. Yes.

Mr Curtis. What was your reason for going back?

Mr. Richards. That is my home and I thought I would find some employment there. I went to make my home there.

Mr. Curtis. Was there any particular industry that you had in mind that you thought might open up when you went back?

Mr. Richards. I thought that an airplane factory was going to open up there and that I would get a job.

Mr. Curtis. Did the factory open up?

Mr. Richards. It had not when I left. They were talking about building one.

Mr. Curtis. Were you able to find any other work?

Mr. Richards No; I did not find very much of anything to do.

Mr. Curtis. What month of the year did you go back to Ohio?

Mr. Richards. May.

Mr. Curtis. How long did you stay there?

Mr. Richards. I was there 5 months.

Mr. Curtis. During that time did you get as much work as a a total of a week or—about how much work did you get?

Mr. Richards. I was selling house utilities from house to house.

Mr. Curtis. Was that very successful?

Mr. Richards. No; not very.

Mr. Curtis. Did it become necessary for you to apply for relief while you were in Columbus?

Mr. Richards. I did toward the last; yes.

Mr. Curtis. Did they provide you with any?

Mr. Richards. They did until they established my residence.

Mr. Curtis. What did they tell you about your residence?

Mr. Richards. They sent back here and they found that I had been here all of that time, and they said my residence was in the District. They wired here and I was authorized to be sent back, so they sent me back here.

Mr. Curtis. Who paid your transportation expenses back?

Mr. Richards. I do not know whether it was the relief or the Travelers' Aid, but I got my tickets through the Travelers' Aid.

Mr. Curtis. Did that money come from the Travelers' Aid of Ohio or here in Washington?

Mr. Richards. I could not say where it came from—I do not know. I got my tickets in the Travelers' Aid office, in the Columbus depot. I do not know where the money came from.

Mr. Curtis. The real point was that they told you you were no longer a resident of the State of Ohio; that was the reason they gave you.

Mr. Richards. They did not say that. They claimed that my working residence was in Washington, D. C.; my voting residence was in Columbus.

Mr. Curtis. They conceded that you still had a voting residence in Columbus?

Mr. Richards. I registered while I was there, yes.

Mr. Curtis. You said that you were in Texas 4 years. Had you gone to Texas with the intention of making your home there, and did you consider it your home during those 4 years?

Mr. Richards. No; I did not figure that way. I just went down there.

Mr. Curtis. Did you vote at any time in Texas?

Mr. Richards. No; I did not vote this time, either.

Mr. Curtis. But you were able to register.

Mr. Richards. I do not know whether I was allowed to vote or not. I did not go into it very deep, because I had to come back here.

Mr. CURTIS. You have always considered, and you spoke of your home, as Columbus, Ohio?

Mr. RICHARDS. Yes.

Mr. CURTIS. Were you able to find work when you came back here to Washington?

Mr. RICHARDS. As soon as they could place me on the W. P. A.; yes, sir.

Mr. CURTIS. How much were you able to earn on that?

Mr. RICHARDS. My wages were $52.80, I think.

Mr. CURTIS. A month?

Mr. RICHARDS. A month.

Mr. CURTIS. Did you come directly from Texas to Washington?

Mr. RICHARDS. Yes, sir.

Mr. CURTIS. Did you stop at any place along the way and attempt to find work?

Mr. RICHARDS. No; I did not, only just maybe a week at a time.

Mr. CURTIS. When you left Texas, was Washington your destination?

Mr. RICHARDS. Well, I did not know just where.

Mr. CURTIS. You just started out to try to find some work.

Mr. RICHARDS. Yes; and I was coming this way.

Mr. CURTIS. You were in West Virginia a while, were you not?

Mr. RICHARDS. No; I was not; only just come through there and stopped 1 night.

Mr. CURTIS. Where was it suggested, or where did they tell you that you might find work in the city of Washington?

Mr. RICHARDS. I was talking to some fellows when I came through Cincinnati.

Mr. CURTIS. What kind of work did they say might be available?

Mr. RICHARDS. They did not say much of any kind, just to come here.

Mr. CURTIS. They thought it was a pretty fair place to get a job, was that the idea?

Mr. RICHARDS. Yes, sir.

Mr. CURTIS. How did you and Mrs. Richards travel from Texas to Washington?

Mr. RICHARDS. Hitchhiked.

Mr. CURTIS. How did you travel when you went back to Ohio last May?

Mr. RICHARDS. Went back on the bus.

Mr. CURTIS. You paid your own way?

Mr. RICHARDS. Yes, sir.

Mr. CURTIS. Is Mrs Richards in good health?

Mr. RICHARDS. No, sir.

Mr. CURTIS. You would still like to get a job in private industry, would you not?

Mr. RICHARDS. I would rather have a job in private industry; yes.

Mr. CURTIS. You would rather have that in your home in Columbus, Ohio, than any place else, would you not?

Mr. RICHARDS. I would, at the age I am right now; yes.

Mr. Curtis. But under the present circumstances, you could not go back there and wait it out, and try to find a job, could you?

Mr. Richards. Well, not with the questions they ask you. They would not let me go to work. They claim I am not a resident there any more.

Mr. Curtis. Did they bar you from employment as well as from relief?

Mr. Richards. I guess so.

Mr. Curtis. What I mean is, were you turned down for any job because they said you did not belong there?

Mr. Richards. How is that?

Mr. Curtis. Were you turned down when you applied for any job because you were not a resident of Ohio?

Mr. Richards. No; I was not turned down exactly on that. I was turned down on account of my age a couple of times.

Mr. Curtis. Do you feel that the fear that men have, if they go away from home and try to find work, causes them to stay on W. P. A. and on relief, once they are on it?

Mr. Richards. Yes. When you once get off, it takes a little time and trouble to get on again.

Mr. Curtis. Most of the people would rather have jobs, would they not?

Mr. Richards. Yes.

Mr. Curtis. But it is true that the fear that if they let go, they will not get back on prevents them from getting out?

Mr. Richards. It might take them quite a while to get back on.

Mr. Curtis. How long a wait did you have before you got back on after you returned from Ohio this year?

Mr. Richards. About 2 weeks. But in my case, though, I guess they kind of pushed it.

Mr. Curtis. Mr. Richards, your story illustrates certain aspects of the problem we are studying, and we thank you for your testimony.

That is all I have, Mr. Chairman.

The Chairman. Thank you very much, Mr. Richards.

We will call Mr. John Wyatt.

TESTIMONY OF JOHN WYATT, BALTIMORE, MD. (ACCOMPANIED BY MRS. JOHN WYATT AND CHILDREN)

Mr. Sparkman. Mr. Wyatt, have you given your name and address to the reporter?

Mr. Wyatt. Yes, sir.

Mr. Sparkman. You are now living in Baltimore?

Mr. Wyatt. Yes, sir.

Mr. Sparkman. How old are you, Mr. Wyatt?

Mr. Wyatt. Forty-one.

Mr. Sparkman. Where were you born?

Mr. Wyatt. Chester, Pa.

Mr. Sparkman. Mrs. Wyatt, where were you born?

Mrs. Wyatt. Bridgeville, Del.

Mr. Sparkman. How many children do you have?

Mrs. Wyatt. Six.

Mr. Sparkman. How old is the oldest?

Mr. Wyatt. Twelve; he will be thirteen next month.

Mr. Sparkman. How old is the youngest?

Mr. Wyatt. Four months old.

Mr. Sparkman. You are living in Baltimore now, you say?

Mr. Wyatt. Yes, sir.

Mr. Sparkman. What are you doing over there?

Mr. Wyatt. We have a house there, and I get a couple of days' work a week, and manage to keep things going, until I get a steady job.

Mr. Sparkman. How long have you been there?

Mr. Wyatt. Two months.

Mr. Sparkman. Where did you come from?

Mr. Wyatt. From Chester, Pa.

Mr. Sparkman. You came from Chester to Baltimore?

Mr. Wyatt. No. We went from Chester and worked the fairs through New York State, selling jewelry and engraving the names and initials on the jewelry.

Mr. Sparkman. You have done that work at county fairs, and such as that?

Mr. Wyatt. Yes, sir.

Mr. Sparkman. How did you happen to come to Baltimore?

Mr. Wyatt. Well, it was a large city and there are quite a few markets down there, and I thought if I came down there I would be able to work those markets in the winter months and keep going until a steady job turned up. I did work for a few weeks, and then I have been getting week ends with Wagner Bros. Markets, cutting meat.

Mr. Sparkman. Have you been able to make a living since being there?

Mr. Wyatt. No; we have not been able to make a living, but we have been able to keep something to eat on the table.

Mr. Sparkman. How long have you been following this type of work, following fairs and engaging in the type of work you have been describing?

Mr. Wyatt. We have been going out during the summer months, once in a while; not that we really had to, but this last summer we really had to, because we had nothing else to do and no place to go. They levied on our furniture and we had to get out.

Mr. Sparkman. What type of work did you do back in Chester?

Mr. Wyatt. Truck driving and meat cutting.

Mr. Sparkman. Truck driving?

Mr. Wyatt. Yes.

Mr. Sparkman. How did you happen to lose that work?

Mr. Wyatt. The company went out of business.

Mr. Sparkman. What kind of a company was it?

Mr. Wyatt. Gasoline transport.

Mr. Sparkman. What did you do before that?

Mr. WYATT. Well, worked around, meat cutting, with other companies up there; other truck companies up there. I worked for them. They got mostly colored help up there, prefer them to the white.

Mr. SPARKMAN. You are not a skilled mechanic of any type?

Mr. WYATT. Only as far as meat cutting and truck driving are concerned. That is what I follow mostly.

Mr. SPARKMAN. Chester is quite a manufacturing center, is it not?

Mr. WYATT. Yes. They manufacture about everything that there is; mostly gasoline refineries, oil refineries.

Mr. SPARKMAN. Why were you not able to find work with some other company there?

Mr. WYATT. I have put applications in with about every company up there, and they tell me there is nothing right now, and if something turns up they will send for me. I do know that they have hired people from Delaware and Maryland and New Jersey in preference to people around Chester.

Mr. SPARKMAN. You mean the manufacturing plants there prefer out-of-State labor to local labor?

Mr. WYATT. Yes.

Mr. SPARKMAN. Have you ever registered with the employment office?

Mr. WYATT. I registered the other day with the employment office in Baltimore. I was also registered with them up in Pennsylvania.

Mr. SPARKMAN. In Chester?

Mr. WYATT. Yes.

Mr. SPARKMAN. Have they not been able to find anything for you?

Mr. WYATT. They sent me one application, to apply to a store for a meat-cutting job, and when I got there he said, "I sent down there 2 weeks ago for a man."

Mr. SPARKMAN. That was in Baltimore?

Mr. WYATT. That was in Chester. But it was only the other day that I registered up in Baltimore. I do not know—they have not had time to get things through for them to send for me.

Mr. SPARKMAN. You have not heard anything yet?

Mr. WYATT. No, sir.

Mr. SPARKMAN. You plan to stay on in Baltimore?

Mr. WYATT. Providing I can get a position where I can take care of my family and make my home in Baltimore. Wherever I can get a job and support my family, that is where I will make my home.

Mr. SPARKMAN. If you do not find any work there, do you plan to go back to Chester?

Mr. WYATT. I do not know if I will go back, but I will go somewhere until I do find something. I can always manage to make a few dollars to give us something to eat until I do find something.

Mr. SPARKMAN. In other words, you are going to stay on and look out for something to do, and go wherever it may take you.

Mr. WYATT. Wherever I can find a job to support my family, that is where I intend to make my home.

Mr. SPARKMAN. Have you ever applied for public or private relief?

Mr. Wyatt. I did have to up in Chester, but not here, because I think I hardly need it. In Chester we did have relief a couple of times, but we have not applied for it here [Baltimore] because we have not had need for it yet.

Mr. Sparkman. Are your children in school?

Mr. Wyatt. Yes, sir. One reason why we settled down for the winter was to send the children to school.

Mr. Sparkman. You have never had any trouble about their schooling, because you have simply gone out during the summer months?

Mr. Wyatt. Mostly, though maybe once in a while, about a month or so, when we would be late getting them in. But at the end of the term they were always up in their marks and passed.

Mr. Sparkman. How much have you been on the road? In how many different States have you been or how many different places?

Mr. Wyatt. Truck driving, I guess I drove in every State east of the Mississippi River.

Mr. Sparkman. I do not mean in connection with your truck driving, but I mean looking for jobs.

Mr. Wyatt. Looking for work, I guess I have traveled in about 8 or 10 different States on the eastern seaboard.

Mr. Sparkman. Mrs. Wyatt, do you like to travel around?

Mrs. Wyatt. No; if he had steady work I would be perfectly satisfied.

Mr. Sparkman. You would much prefer for him to have steady work?

Mrs. Wyatt. Yes, sir.

Mr. Sparkman. I believe that is all, Mr. Chairman.

The Chairman. Mr. Wyatt, it is simply a question of eating that impels you to move around, is that right? You move around to get something to do so that you can eat?

Mr. Wyatt. And keep our bills paid up. In other words, our rent and our electricity, and one thing and another. In other words, we were not making enough to support the family the way we should do, and we drifted back with our rent, and they cut our electricity off. We stored our stuff in a garage and started to travel. I had a truck. I had a little owing on that, and since coming back to Baltimore I have lost it.

The Chairman. You traveled in a truck, did you?

Mr. Wyatt. I had a little Chevrolet truck, three-fourths ton.

The Chairman. Have you still got that?

Mr. Wyatt. No, sir; I had to give it up.

The Chairman. Are you on relief now?

Mr. Wyatt. No, sir.

The Chairman. How much money have you at this time?

Mr. Wyatt. At the present time I do not have any. Tomorrow night I will have.

The Chairman. How is that?

Mr. Wyatt. I do not have any right now, but tomorrow I will have.

The Chairman. Where will you get it tomorrow?

Mr. WYATT. I will go and get a job cutting meat in some butcher shop for Saturday.

The CHAIRMAN. Will you have your children come up to the table, and state their names and ages for the record?

(The children came forward.)

Mr. WYATT. Their names are: James, 13; Myrtle, 12; Thelma, 9; Junior, 7; Howard, 5; Norman, 4 months.

The CHAIRMAN. How old did you say the baby is?

Mrs. WYATT. Four months; she has been in three States.

The CHAIRMAN. How about going to school in the summer months?

Mr. WYATT. We generally travel during the vacation months, and they go to school in the wintertime.

The CHAIRMAN. In your travels, where did you live?

Mr. WYATT. We have a big tent.

The CHAIRMAN. How big is the tent?

Mr. WYATT. Twelve feet square.

The CHAIRMAN. And where did you put the tent up, near cities?

Mr. WYATT. Generally on the fair grounds. They generally have one section of the fair grounds for trailers and tents of the different ones working the fairs.

The CHAIRMAN. And the eight of you would live in the tent?

Mr. WYATT. Yes.

The CHAIRMAN. Thank you very much, Mr. Wyatt. I hope you get that job tomorrow.

Mr. WYATT. I hope so.

PANEL TESTIMONY OF ROBERT E. BONDY, DIRECTOR, PUBLIC WELFARE BOARD, DISTRICT OF COLUMBIA; DAVID G. LINDEN, ASSISTANT DIRECTOR FOR NONRESIDENT SERVICE, PUBLIC ASSISTANCE DEPARTMENT, DISTRICT OF COLUMBIA; AND DR. GEORGE C. RUHLAND, HEALTH OFFICER, DISTRICT OF COLUMBIA

Mr. SPARKMAN. Mr. Bondy, do you have any general statement to make first, or would you rather that we just ask some questions?

Mr. BONDY. Whatever you wish, sir. I have, as you know, submitted a statement to the committee, and if you like I can make a very brief résumé of that statement.

(The matter referred to follows:)

STATEMENT OF ROBERT E. BONDY, DIRECTOR OF PUBLIC WELFARE, DISTRICT OF COLUMBIA

PUBLIC WELFARE IN THE DISTRICT OF COLUMBIA

HISTORICAL

Prior to the depression period of the 1930's responsibility for service in the District of Columbia to nonresidents, homeless persons, and transients was shared by the District of Columbia government and certain private social agencies. The District of Columbia government, under an act of Congress, approved in 1899, conducted a nonresident service which, upon authorization of the home state of the nonresident, provided transportation for the return of the nonresident to his home jurisdiction. A municipal lodging house was conducted by the District of Columbia government, and it carried on a service of deportation of insane persons to their home States upon authorization.

Through private funds the Salvation Army, the Volunteers of America, the Travelers Aid Society, the American Legion and, to some extent, the family societies of the community, namely, the Family Welfare Association, the Jewish Welfare Society, and the Catholic Charities, together with the Gospel Mission and the Central Union Mission carried on programs in behalf of the nonresident. The Salvation Army served single unattached men with lodging and other facilities; the Travelers Aid Society, unattached women and families; the American Legion and the American Red Cross the needs of veterans and their families; and the missions gave lodging facilities.

During 1930, 1931, and 1932, funds were made available from the community chest for certain of these activities, but the relief burdens of the early depression years due to unemployment became so heavy that the District of Columbia government and the Federal Government assumed responsibility in 1932 for unemployment relief and for care of nonresidents and transients.

The years 1932, 1933, 1934, and 1935 became peak years in the volume of persons coming to Washington from other States and requiring care in the community. The first Bonus Army in the fall of 1932 brought the first wave. The Bonus Army was predominently made up of single men, although there were over 100 families with children. Emergency care was given jointly by private agencies and Government agencies, but predominantly by private agencies; shanty towns were erected on the Mall with 300 shacks, and at Fort Dupont. As much as $90,000 was expended in 2 weeks for transportation to the home States of the members of the army. Most of the members of the army returned home, but some continued in the District of Columbia, thereby setting up the first residue for local care.

A community chest fund of $100,000 administered by the Citizens' Committee on Unemployment then came into being and was the start of the local relief agency with a local work program. The Federal Emergency Relief Administration early in 1933 took over this local relief and work program, and in November 1933, the Transient Bureau, directed and financed by the Federal Government, was organized in the District of Columbia. This Bureau continued until September 1935, and during its existence was responsible for the housing, and feeding, and other care of nonresidents in 13 different units, and there were camps at Beltsville and Fairfax. Fort Eustis was later opened as a camp to which 4,500 men were sent. Hospital facilities were available at that point. Contract care was arranged for families and individuals in rental quarters covering about 30 percent of the total of nonresident persons.

The liquidation of this Transient Bureau program brought the transfer of 1,300 nonresidents to the Works Progress Administration project at Greenbelt, an additional 400 families with working persons in the families to the same project; 200 were absorbed by the Public Assistance Division of the Board of Public Welfare, which had become the public relief agency in the District of Columbia; and 4,500 veterans were provided transportation under a Federal Emergency Relief Administration grant of $100,000, the Transient Bureau being responsible for certifying veterans and sending them to points of legal residence, including points for hospital care.

It was upon the liquidation of this Transient Bureau program that the nonresident service of the Public Assistance Division of the Board of Public Welfare was created under its present form, although there had been a service for return of persons to their home States under a law enacted in 1899 as previously indicated.

The large numbers of people who came to Washington and became responsibilities of Government during these years, 1932 to 1935, came for a variety of reasons.

There was inadequate relief and public care provision in many of the States and local communities; Members of Congress and others in the Nation's Capital promised positions to persons back home; the Bonus Army and other groups came to exert pressure upon Congress and the executive branch of the Government; veterans to the extent of probably one-third to one-half of those coming to Washington and requiring service came to exert pressure in legislative and executive matters and to lobby; many veterans came for presentation of claims and hospitalization benefits; others came to seek employment and because they felt that at their Nation's Capital some aid in securing employment could be obtained.

With the creation of the nonresident service in the Board of Public Welfare with a small annual appropriation of $20,000, the residue of the Federal Emergency Relief Administration funds established to transport persons to their home communities was utilized by the nonresident service for a period of 2 years in the amount of $55,000 to return veterans to their home States and to Government hospitals. But with the exhaustion of this fund Federal aid was discontinued, although a considerable residue of persons and families from the 1932 to 1935 years remained for care in the District of Columbia and in diminished volume the influx of nonresidents continued because of the attraction of the Nation's Capital.

THE NONRESIDENT PROBLEM TODAY—ITS CAUSES, NATURE, AND EXTENT

The nonresident problem in the District of Columbia seems to arise principally from the following causes:

1. The central office of the United States Veterans' Administration is located in Washington as is Mount Alto Hospital, one of the important diagnostic centers of the Veterans' Administration. Many veterans come on official business to secure settlement of claims and to arrange for hospitalization and diagnostic care. Veterans' preference on the defense-program employment brings veterans to Washington who think that employment is available here.

2. The present defense program seems to be responsible for some of the nonresident influx. The applications for care at the nonresident service of the Board of Public Welfare during the summer months of 1940 remained high in contrast to the usual drop during the summer, about 60 percent being unclassified laborers and 40 percent white-collar and skilled workers. Skilled mechanics have come from as far away as the State of Washington thinking that announcements made from a Washington date line by the United States Civil Service Commission of the need of skilled mechanics in the defense program meant that the employment was available in Washington, D. C. Similarly, announcements by the War and Navy Departments and the Advisory Commission to the Council of National Defense have brought people to Washington although employment existed in industrial and military camp communities elsewhere. Many others have become stranded in Washington en route to employment prospects in national defense communities. The Government building program has attracted others.

3. Seasonal migrants moving to the South in the fall and winter and to the North in the spring become stranded, including persons going to work in the fruit industry of Florida and the South, those seeking winter hotel and restaurant employment, those following race tracks. Washington's bottleneck junction point between North and South results in many of these seasonal workers and others moving across country for other employment becoming stranded here. Included in this latter group are seamen moving from Gulf coast ports to New York and other northeastern coast points in search of anticipated employment.

4. Related to the preceding paragraph is the usual movement of persons about the country seeking employment, health facilities, and for other reasons who become stranded in Washington because of its junction-point facilities between the North and South.

5. Christmas industries and employment, such as at the post office and at the railroad terminal, bring out-of-town people who arrive broke and at the end of their employment are often stranded and need help in returning to their own home community.

6. Others are attracted to Washington, as is true of Baltimore, to secure civilian hospitalization. Emergency cases arise, and in instances when hospital care has been completed but convalescent care is necessary these persons in need of convalescent care become public-welfare charges in the absence of adequate convalescent facilities in the District of Columbia.

7. Many persons are attracted to the Nation's Capital who are mentally and emotionally unbalanced. Some come to the White House in search of conference with the President. (As many as 50 to 75 cases a year are referred by Secret Service officers at the White House for mental institutional care and

ultimately become the responsibility of the Board of Public Welfare for return to their home States after authorization has been secured. Meanwhile, the cost of care in the local municipal hospital and the St. Elizabeths Hospital is, of necessity, borne by the District of Columbia government.) Others call upon other branches of the Federal Government with panaceas, and particularly that is true during the presence of great unemployment periods and of national emergencies. During the 1940 fiscal year, the Board of Public Welfare, through its service for deportation of nonresident insane, returned 204 insane persons to their home States after authorization.

The nature of the nonresident problem, therefore, is largely determined by these causative factors. The causative factors that are unique for the District of Columbia because it is the Nation's Capital, counterbalance causative factors creating nonresident problems in other cities of the country. The observation of those acquainted with nonresident service in the District of Columbia and familiar with similar service in other cities is that there is, relatively, about the same volume in proportion to population, but the cause is different, although some causes are common to Washington and other cities.

The actual extent of the nonresident problem in the District of Columbia is not known statistically. It is known that 4,157 unattached individuals and 106 families, a total of 4,263 cases, were received for service by the nonresident service of the Board of Public Welfare for the fiscal year ending June 30, 1940. A statistical summary of the work of the nonresident service for the year is attached to this statement.

The municipal lodging house of the Board of Public Welfare has capacity for about 45 men and is generally filled except in the mild summer months.

The nonresident insane service handled the deportation of 204 nonresident insane to their home States after authorization during the fiscal year ending June 30, 1940, 149 of the number being deported at District of Columbia expense. Nine hundred and four patients were admitted to St. Elizabeths Hospital from the District of Columbia during the year 1940, a total of 4,454 District of Columbia patients being under care in the hospital at the close of the fiscal year.

It is estimated by those acquainted with the problem that during the cold months of the winter, from 200 to 500 homeless, unattached men are without suitable lodging facilities and find what comfort they can standing through the night over grates in front of buildings, occupying quarters at police precinct stations, and otherwise caring for themselves within or without the law.

DISTRICT OF COLUMBIA GOVERNMENT PROGRAM FOR NONRESIDENTS

The program of the District of Columbia government has been indicated in a measure in the previous section on problem, its causes, nature, and extent. In the public-welfare field, a program is carried on through the nonresident service, the nonresident insane service and the municipal lodging house. All of these are agencies of the Board of Public Welfare.

The nonresident service called in the appropriation act for the District of Columbia of 1940 "Transportation of Nonresident and Indigent Persons" is stated in that act as providing "for transportation of indigent nonresident persons to their legal residence or to the home of a relative or relatives, including maintenance pending transportation, and transportation of other indigent persons, including indigent veterans of the World War and their families, $20,000, of which amount not to exceed $7,100 shall be available for personal services."

There is no fund available to this service for care of nonresidents, except unattached men at the Municipal Lodging House, during any extended period of investigation for authorization for return to their home State, or for care of individuals or families in the event that no residence is established. The nonresident service of the Board of Public Welfare must depend upon the services of certain private agencies, including the Travelers Aid Society, the Salvation Army, the American Legion, and others for certain care during the period of investigation and otherwise. Suffering ensues because of the lack of funds for such care. Such suffering cannot be measured statistically. The number of families and individuals affected cannot be definitely determined, and further, there is no known yardstick for human suffering. It may be said safely that hundreds of families and individuals are in this category of unmet need.

The nonresident service has a close scheme of cooperation with the private agencies named, and upon reference by them, considers cases for transportation to home States where authorization is given. The principal division of responsibility is homeless men by the nonresident service, families and children by the Travelers Aid Society, and veterans by the American Legion, with the Salvation Army, Volunteers of America, and the missions giving lodging care, and the nonresident service, itself, handling the actual transportation on returns.

The nonresident insane service under the wording of the appropriation was established "For deportation of nonresident insane persons, in accordance with the act of Congress entitled 'An act to provide for insanity proceedings in the District of Columbia,' approved June 8, 1938, including persons held in the psychopathic ward of the Gallinger Municipal Hospital, $12,000."

This service is responsible for deportation of nonresident insane, 204 being deported during the fiscal year ending June 30, 1940. The service is also responsible for securing the largest possible measure of support by relatives and the friends of insane patients in St. Elizabeths Hospital and for giving general oversight to the interests of the District of Columbia under contract arrangement for care of District of Columbia patients in St. Elizabeths Hospital.

The Municipal Lodging House occupies two residence buildings in a block owned by the District of Columbia and ultimately to be used for the new Public Library. The buildings have a capacity of about 45 men. It operates as an adjunct to the nonresident service in the temporary lodging of men who are under consideration for return to their home States.

The fields of the private agencies have been referred to at various points in this statement and will be covered in special memoranda by the agencies themselves.

The community program, both governmental and private, for the care of nonresident persons may be said to have the following defects and lacks:

1. Lack of uniformity in residence laws of the States makes for problems of care of persons who have lost residence or who, for other reasons, cannot receive suitable care.

2. There is no provision in the District of Columbia for care of persons either by governmental or private agencies, where there has been loss of residence or residence cannot be proved.

3. While the colored population is proportionately low in the number receiving nonresident care by Government agencies—the number being about one in four—there is, at the same time, almost a total lack of suitable lodging or temporary family living facilities for colored persons.

4. Public and private lodging facilities for nonresident unattached men is inadequate and fall short during the winter months of providing care for from 200 to 500 men.

5. The lack of District of Columbia facilities for care of convalescents and chronics leaves no facilities available for these persons when they are nonresident here.

6. There is no fund available in the Government agency for care of nonresidents during the period of investigation of possible return to the home State except the Municipal Lodging House, and no fund for care of those who are found to lack residence.

7. General relief funds in the District of Columbia, because of lack of adequate appropriation, are not sufficient to care for persons who are employable. Further, the limitations in Congressional appropriation on the amount that may be given in grant to individuals and to families receiving any category of assistance makes relief given inadequate. A basic need in the entire relief program, therefore, including the nonresident relief program, is more adequate relief appropriation for general relief and removal of the limitations or ceilings in the appropriation.

PROPOSED PROGRAM

The following proposals are made:

1. Uniform settlement laws for the various States and the District of Columbia.

2. Adequate general relief to be accomplished under the Federal Social Security Act by making provision for the District of Columbia that the Social Security Board match local expenditures with general public assistance in the

same way that it matches local expenditures for old-age assistance, aid to the needy blind, and aid to dependent children.

(NOTE.—Appended to this statement is a proposal for general public assistance in the District of Columbia providing for the matching of local funds by Federal Social Security funds with a suggested draft of amendment to the Federal Social Security Act.)

3. As part of a Federal program, suitable provision of funds for care of nonresident persons and families during the period of investigation of residence for return to the home State and, in the event that residence is not found to exist, a period of care until a plan is developed in each instance.

4. A Municipal Lodging House with suitable services that would meet a reasonable part of the need for lodging facilities for homeless men, both white and colored.

Nonresident service, fiscal year, July 1, 1939, to June 30, 1940

Classification	Total	Number of unattached individuals	Number of families
Carried over from previous year	2	2	
Received during year	4,263	4,157	106
Total during fiscal year	4,265	4,159	106
Received transportation and/or cash	955	896	59
Received service only	2,855	2,826	29
Received neither relief nor service	455	437	18
Closed during year	4,230	4,135	95
Active June 30, 1940	35	24	11

Received subsistence and/or transportation	955
Average amount per recipient	$10.89

Analysis of action taken	Number	Percent
Service completed (temporary care pending adjustment)	3,775	88.5
Minor aid	2,379	55.8
Sent home	579	13.6
Sent to veterans' facilities	255	6.0
Authorization refused	202	4.7
Referred to other agency (including hospital)	144	3.4
Refused plan	131	3.1
Money sent by relatives	61	1.4
Other	24	.5
Service refused	455	10.7
Failed to cooperate	307	7.2
Requested employment or clothing, Civilian Conservation Corps enlistment, etc.	97	2.3
Legal residence within 50 miles of District of Columbia	42	1.0
Not indigent	9	.2
Service not completed	35	.8

Proposal for General Public Assistance, District of Columbia

Under the Federal Social Security Act, the District of Columbia and the States are reimbursed by the Social Security Board for certain expenditures made in behalf of the aged, the blind, and dependent children under the provisions of the Social Security Act for old-age assistance, aid to the blind, and aid to dependent children.

In addition, the District of Columbia and the States provide in their public-assistance program a plan of general public assistance to those needy families without sufficient resources to meet their needs who are not covered by these three social-security titles or by work relief under the Work Projects Administration or otherwise. In most States the municipalities receive aid from State funds for this purpose. Such funds are not available in the District of Columbia.

In the District of Columbia funds for general public assistance are part of the District of Columbia annual appropriation by Congress and these funds approximate $750,000 of the $900,000 voted in the first of the public-assistance appropriations for the District of Columbia. This appropriation is not sufficient to meet the needs of all those who have insufficient resources to meet their own food, rent, clothing, and other expenses. The District of Columbia position may be shown by the following points:

1. According to a study in 1938 by the United States Children's Bureau, the District of Columbia expended $1.38 for general public assistance from public funds per capita compared to $5.59 for 29 of the larger urban areas of the Nation.
2. Of the 19 largest cities of the Nation covered in reports of the Social Security Board the District of Columbia is the only city, with one exception, that does not have sufficient funds to give general relief to employable persons.

It is proposed in this situation that Congress enact legislation authorizing the Federal Social Security Board to reimburse the District of Columbia on an equal matching basis for local expenditures for general public assistance, on the same basis as is done for old-age assistance, aid to the blind, and aid to dependent children. This procedure is justified because—

1. It is logical that in the Nation's Capital Congress assume this matching responsibility for general public assistance as is done with the other social-security titles.
2. In the Nation's Capital no State funds are available to supplement local funds for general relief.
3. The Nation's Capital should not be outstanding among the great cities of the country where human need is not met.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "_________."

TITLE I—AMENDMENT TO THE SOCIAL SECURITY ACT BY THE ADDITION OF TITLE XII

TITLE XII—GRANTS TO THE DISRICT OF COLUMBIA FOR GENERAL PUBLIC ASSISTANCE

SEC. 1201. For the purpose of enabling the District of Columbia (hereinafter referred to as the District) to furnish financial assistance, as far as practicable under the conditions in the District, to needy families, as well as to needy individuals (who have not been found eligible for assistance under titles I, IV, and X of this Act), there is hereby authorized to be appropriated for the fiscal year ending June 30, 1941, the sum of $________, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The District is hereby authorized to submit a plan for general public assistance to the Social Security Board for its approval in accordance with the provisions of this title and upon such approval the sums made available under this section shall be used for making payments to the District as hereinafter provided.

DISTRICT PLAN FOR GENERAL PUBLIC ASSISTANCE

SEC. 1202. (a) The District plan for general public assistance must (1) provide for the establishment or designation of a single District agency to administer the plan; (2) provide for the granting to any individual, whose claim for general public assistance is denied, an opportunity for a fair hearing before the District agency; (3) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Board shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Board to be necessary for the proper and efficient operation of the plan; (4) provide that the District agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; (5) provide that the District agency shall, in determining need, take into consideration any other income and resources of the family or individual claiming general public assistance; and (6) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of general public assistance.

(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes, as a condition of eligibility for general public assistance under the plan—

(1) Any residence requirement which excludes any resident of the District who has resided therein continuously for one year immediately preceding the application; or

(2) Any citizenship requirement which excludes any citizen of the United States.

PAYMENT TO DISTRICT

SEC. 1203. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to the District, upon approval by the Board of the District plan for general public assistance, for each quarter, beginning with the quarter commencing July 1, 1940, (1) an amount, which shall be used exclusively as general public assistance, equal to one-half of the total of the sums expended during such quarter as general public assistance under the District plan with respect to each needy family, as well as with respect to each needy individual who at the time of such expenditure is not an inmate of a public institution, except to the extent that such need may be provided by employment on Public Works projects, wholly or partially financed by the Federal Government, and not counting so much of such expenditure for any month as exceeds $40 with respect to any individual or head of a family, and $12 with respect to each additional member of any such needy family,[1] and (2) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Board for the proper and efficient administration of the District plan, which amount shall be used for paying the costs of administering the District plan or for general public assistance, or both, and for no other purpose.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to the District for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the District containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the District for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of families and individuals in need of general public assistance, (C) such other investigation as the Board may find necessary.

(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, (A) reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the District under subsection (a) for such quarter, and (B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Board, of the net amount recovered during a prior quarter by the District with respect to general public assistance furnished under District plan; except that such increases or deductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter: *Provided*, That any part of the amount recovered from the estate of a deceased recipient which is not in excess of the amount expended by the District for the funeral expenses of the deceased shall not be considered as a basis for reduction under clause (B) of this paragraph.

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[1] Alternative: $40 in the case of any individual over 18 years of age, and $12 additional with respect to any child under 18 years of age.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, pay to the District, at the time or times fixed by the Board, the amount so certified.

OPERATION OF DISTRICT PLAN

SEC. 1204. In the case of a District plan for general public assistance which has been approved by the Board, if the Board, after reasonable notice and opportunity for hearing to the District agency administering such plan, finds—

(1) That the plan has been so changed as to impose any residence or citizenship requirement prohibited by section 1202, subdivision (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of the District agency, in a substantial number of cases; or

(2) That in the administration of the plan there is a failure to comply substantially with any provision required by section 1202 (a) to be included in the plan;

the Board shall notify the District agency that further payments will not be made to the District until the Board is satisfied that such prohibited requirement is no longer imposed, and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to the District.

ADMINISTRATION

SEC. 1205. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1941, the sum of $-------- for all necessary expenses of the Board in administering the provisions of this title.

DEFINITION

SEC. 1206. When used in this title the term "general public assistance" means money payments to needy families or needy individuals.

TITLE II—AMENDMENT TO TITLE XI[2]

Title II—Amendment to Title XI

SEC. 1101. (a) When used in this act—

(1) The term "State" (except when used in section 531 and in titles I, IV, and X) includes the District of Columbia, and (except when used in section 531) includes Alaska and Hawaii, and when used in title V and VI of such Act (including section 531) includes Puerto Rico.

(2) (No change in remainder of title XI.)

TESTIMONY OF ROBERT E. BONDY—Resumed

Mr. SPARKMAN. I will ask you a few questions, if I may. We have your statement. That has been filed, of course, and becomes part of the record. These questions I shall ask are based upon the statement that you have filed with us.

Are there nonresidents coming to Washington now in as large numbers as they did in the early 1930's?

Mr. BONDY. No, they are not. The years 1932–35 were peak years, beginning with the nationally known bonus-army march on Washington, followed by the coming of a great many people because of depression situations throughout the country.

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[2] To be inserted only if there is an elimination of the reference to titles I, IV, and X in proposed title XII.

During that period, the Federal Government, through its Transient Bureau and otherwise, assumed a rather considerable responsibility for financing—the large responsibility of caring of nonresidents in Washington during the years 1932–35.

Today, compared with that time, there is not as heavy an influx, as my statement points out, but the last 2 or 3 months have shown some significant increase in the number of nonresidents coming to Washington compared to last spring or a year ago.

Mr. SPARKMAN. Mr. Bondy, when you refer to nonresidents coming to Washington, do you mean all nonresidents, not necessarily simply those that are destitute?

Mr. BONDY. I am referring to all nonresidents.

CAUSES OF MIGRATION TO DISTRICT OF COLUMBIA

Mr. SPARKMAN. Are there any causes for their migration to the District of Columbia differing from the causes affecting their migration to other large cities?

Mr. BONDY. Mr. Sparkman, Commissioner Young stated this morning that there are some causes that are unique in bringing nonresidents to the District, because this is the Nation's Capital. That clearly is true. Washington has the central office of the United States Veterans' Administration. It has one of the important diagnostic centers of the United States Veterans' Administration. Therefore, there are many veterans who come to Washington to prosecute claims, to secure benefits to which they are entitled, and for hospital care and treatment here.

Secondly, the national-defense program itself seems to occasion some increase in the nonresident population, and is one of the causes for nonresident problems here in the National Capital. For instance, the Civil Service Commission will issue a public announcement through the newspapers that there is great need for skilled mechanics in the national-defense industries of the countries. That goes out through the papers of the country over a Washington date line. The jobs are not in Washington. There might be a few at the navy yard. But the jobs may be in Alabama or Nebraska or California.

Mr. CURTIS. There are no defense jobs in Nebraska.

Mr. BONDY. Maybe they are in California, then, Mr. Congressman.

The CHAIRMAN. I find them coming away from California to get jobs here.

Mr. BONDY. We had the instance of one man who read that civil-service announcement over a Washington date line, who was a skilled mechanic, and who came from the State of Washington to the Nation's Capital to secure that job that had been announced. Of course, the job was not here.

Similarly, the War Department, the Navy Department, and the National Defense Advisory Commission in their announcements of the need for employment give out news releases from the city of Washington, and that again creates a mistaken idea that there is employment here. That is one of the reasons for the bringing of nonresidents to Washington. And the reason growing out of the fact that Washington is the National Capital.

Another reason relating to the unique causes of migration due to this city being the Nation's Capital, is that a great many people over the country have the idea that they have panaceas for the cure of some of the ills of the world and of the Nation. They think that if they can have an opportunity for an audience with a Member of Congress or the President, as soon as they can have their panacea presented, the matter will be cared for. Some of those who come here with that in mind are emotionally and mentally upset.

One illustration of that is that on the White House receiving line, the Secret Service men will, during the period of a year, find anywhere from 50 to 75 mentally deranged persons who come seeking to present their cures for the ills of the country to the President of the United States. Those people inevitably will go through the machinery of local District of Columbia care, at the municipal hospital, and then on through St. Elizabeths Hospital, and then through our service for the deportation of the insane, which must take them back to their home States again.

Meanwhile, all of this process and expense of local care has gone on. That is one of the causes growing out of this being Nation's Capital.

Another thing that brings nonresidents to Washington is true of other cities. This is the north-and-south gateway, the point of railway transportation and highway transportation, through which people and merchandise must go north and south. Well, with the movement of seasonal labor in the fruit industry, vegetables, race tracks, hotel and restaurant business, people move out of the North into the South in the winter months and back in the spring months, from the South to the North, coming through Washington as the gateway, and inevitably there are a good many stranded here who require care and aid in getting to their home communities.

Then Washington, like other communities, has a certain seasonal employment. The holiday time brings a heavy load on the post-office terminal stations, and people come from nearby States, who get here without funds, and even those on relief and out of employment, and require assistance to return home. Many people come because of the existence of civilian and public hospital facilities and medical care. No doubt Dr. Ruhland will speak more about that phase of the question.

Those are the principal causes why people come, as nonresidents, to the Nation's Capital, and I want to emphasize that not only are there the usual causes here that Baltimore, or New York, or San Francisco would have, but there are several very important causes that are unique because Washington is the Nation's Capital.

We here are on the receiving end, in other words. You talk about short- and long-term programs. There is no way in which Washington can develop a long-term program. We are on the receiving end. If the Nation as a whole does not develop its long-term program, there is nothing we can do here, insofar as these people who come to us are concerned; because the number of Washington residents in other States who are suggested for proper return to the District of Columbia, as residents here, is very small in comparison with those who come to Washington from other States and may possibly have a better chance for employment back in their home communities.

Mr. Sparkman. Mr. Linden, you are director of the nonresident service?

Mr. Linden. That is right.

SERVICE TO NONRESIDENTS

Mr. Sparkman. What service do you render nonresidents?

Mr. Linden. Of the persons who come to our office our primary purpose is to find out what they want to do. Of course the desire is, mostly, for employment; I mean that is their primary purpose in being here. After we have discussed our plan—what we could offer them—why, we do offer them the opportunity of going back home. If they are agreeable to that, we make every effort to reestablish their resources in their home community. That represents about a third or a fourth of our intake of individuals.

Mr. Sparkman. How do you happen to get in touch with them; or, rather, how do they happen to come to you? How do they come to you?

Mr. Linden. They are directed to us by various organizations in the District of Columbia—the Police Department and all of the municipal organizations. Oftentimes their answers are that they have been told by someone else on the street that we have this service.

TESTIMONY OF DR. GEORGE C. RUHLAND—Resumed

Mr. Sparkman. Dr. Ruhland, would you please give a copy of your prepared statement to the reporter?

Dr. Ruhland. I will be glad to.

(The statement is as follows:)

STATEMENT OF DR. GEORGE C. RUHLAND, HEALTH OFFICER, DISTRICT OF COLUMBIA

Health Problem Among Migrants

In 1930 the population of the District of Columbia was recorded as 486,869 in the Fifteenth Census, and the preliminary figures for the 1940 census indicate an increase to approximately 663,000 persons. This increase of about 176,000 was for the most part the result of migration into the District because the natural increase (excess of births over deaths) accounted for only 25,000 of the 176,000 during this period.

In the 1930 census it was found that 60 percent of the native white and colored populations of the District were born in other States. Approximately 15 percent of the native population (white and colored) in 1930 were born in Virginia, 10 percent in Maryland, 4 percent in Pennsylvania, 3 percent in North Carolina, 3 percent in New York, and 2.5 percent in South Carolina. It is evident from the Census Bureau data that more than half of the population in the District of Columbia is made up of persons who were born in other States and have migrated into the District. The remainder of the 60 percent were born in various other States. In 1938 the Washington Housing Association estimated from available statistics that there were 608,494 rooms available for occupancy in all types of dwellings in the District. At the same time it was estimated that the population was about 627,000, or an increase of 141,000 from 1930, which indicated an increase of approximately 47,000 families. During this period from 1930 to 1937, inclusive, 22,564 dwelling units were constructed. On the basis of the above figures about 18,000 persons lacked adequate rooming facilities and only about one-half of the 47,000 families had no separate dwelling units in which to live. This naturally resulted in increasing the number of persons per room or number of families per dwelling unit. This becomes even more evident when the higher-income groups and better-housing units are eliminated.

On one of the attached maps (fig. 1, p. 3122) the density of population in the District of Columbia by census tracts is shown. In many of these census tracts with high densities of population are to be found some of the worst housing conditions in the city. In such areas where many of the families on relief are living are to be found dwellings containing whole families in one or two rooms. Many such dwellings are rented by single individuals to people in the very low income groups and those on relief. Other units are parts of estates and some are owned and rented by Government employees. It is not uncommon now for many of these dwelling units originally designed to house one family to contain three or four families consisting of three or more members. That such conditions do exist may be seen in the attached memorandum from the Bureau of Nursing on several home investigations of certain maternal-welfare cases. This memorandum also shows the presence of certain migrant families in the low-income group in the areas of crowding and poor housing.

Various statistical studies carried on by the health department show that the mortality rates from tuberculosis, pneumonia, syphilis, and other communicable diseases are generally higher in the areas where the concentration of population is greatest and housing conditions are the poorest. Infant and maternal mortality rates show a similar distribution. Admission to the social hygiene clinic for the treatment of syphilis and gonorrhea are also most numerous in the same areas. Hospital admissions made through the hospital permit bureau for the medically indigent are most numerous in the same sections of the city. The attached maps[1] clearly indicate this association between crowding and mortality from various causes of death in the District of Columbia, a fact which has been proved in numerous studies in other communities of this and other countries.

Definite data are not available to the health department regarding numbers of persons or families now residing in the District of Columbia who have migrated from other States in recent years, nor is it possible to state why any given number has migrated. Many in the low-income group undoubtedly have migrated, in the hope of obtaining employment, and still others in the hope of obtaining medical care or relief after establishing residence.

To be eligible for certain types of medical care, particularly hospitalization, supported by tax funds, the applicants for such care must have been residents of the District for at least 1 year and be unable to pay. During October 1940 there were 1,609 applications for hospitalization at the Hospital Permit Bureau, operated by the Health Department. Of these, 122 were rejected because of their financial condition, and 77 were admitted as part-pay patients. Seventy applicants who had not been residents for 1 year also presented themselves. An analysis of 50 of these 70 applications was studied and the following information was obtained:

1. *Employment.*—Seventeen had been employed for periods of 1 day to 8 months immediately prior to application, 20 were not employed, 7 were classified as housewives, and 5 as children, and for 1 there was no statement.

2. *Former residence.*—Ten were formerly residents in Maryland, 9 in Virginia, 6 in New York, 5 in South Carolina, 4 each in Georgia and North Carolina, 3 in Pennsylvania, 2 in Florida, 1 each in Massachusetts, Missouri, Ohio, Oklahoma, and Texas, and in 2 instances there was no statement.

3. *Location of residence in the District of Columbia.*—All but 4 of the 50 applicants were living in the heavily congested areas previously mentioned in this report.

4. *Size of family.*—Including the applicants, the 50 families totaled 176 individuals, or an average of 3.5 persons per family.

5. *Reason for application.*—In 8 instances an accident (3 fractures) was given as the reason for requesting hospitalization; in 5 pregnancy or related conditions; in 5 pneumonia; in 4 tuberculosis or suspected tuberculosis; in 4 an acute abdominal condition; in 4 alcoholism; and 4 were mental cases. The remainder were miscellaneous conditions.

6. *Disposition of the cases.*—In 9 cases no form of hospitalization was provided by the Permit Bureau, but in some instances the applicant was referred to the Health Security Administration. In the remaining 41 cases the condition of the patient was regarded as sufficiently serious to require some form of hospital care. Of these, 24 were admitted to Gallinger Municipal Hospital, 7 to Casualty, 4 each to Emergency and Children's, and 2 to Freedmen's.

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[1] Other maps are held in committee files; not printed.

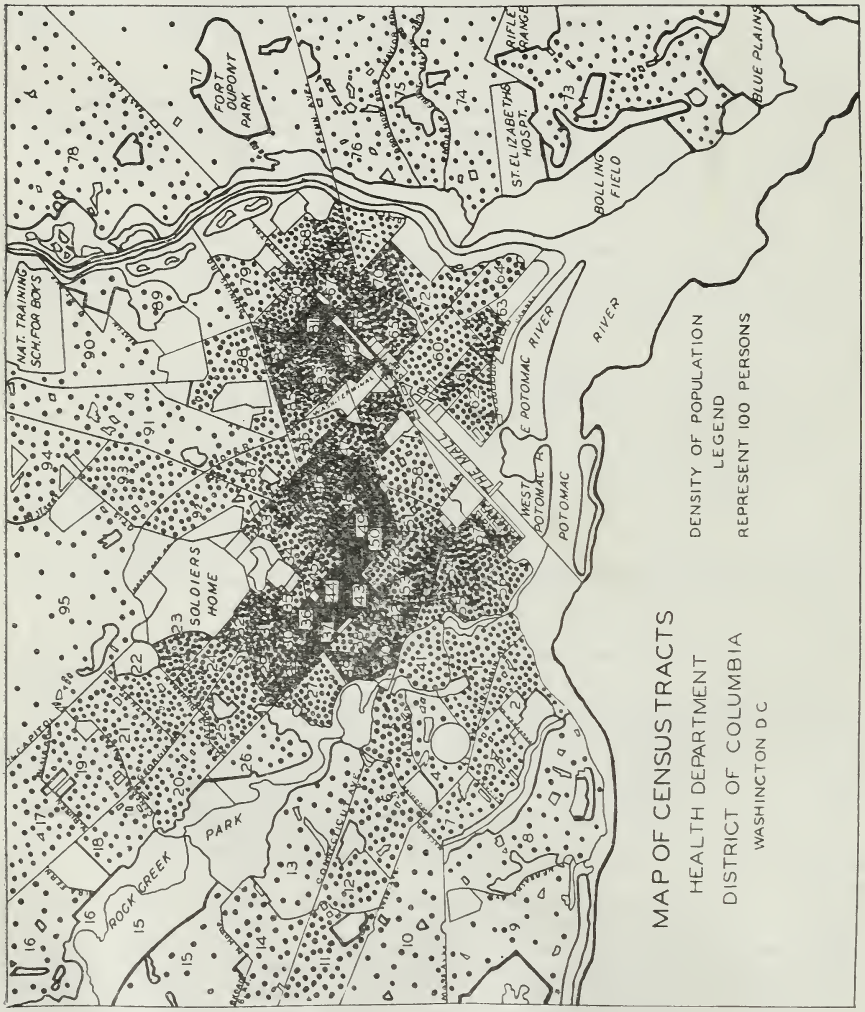
MAP OF CENSUS TRACTS
HEALTH DEPARTMENT
DISTRICT OF COLUMBIA
WASHINGTON D C
DENSITY OF POPULATION
LEGEND
REPRESENT 100 PERSONS
FORT DUPONT PARK
PENN. AVE.
RIFLE RANGE
ST. ELIZABETHS HOSPT.
BLUE PLAINS
BOLLING FIELD
RIVER
POTOMAC RIVER
E POTOMAC P.
WEST POTOMAC P.
POTOMAC
THE MALL
WASHINGTON CHANNEL
NAT. TRAINING SCH. FOR BOYS
SOLDIERS HOME
ROCK CREEK PARK
CONNECTICUT AVE.

FIGURE 1.

These data indicate that in spite of ineligibility because of nonresidence it was necessary to provide hospitalization for a large proportion of this low-income group at the expense of the District of Columbia budget.

The above group of persons represents one type of migrant for which the Health Department has been called upon to provide care. Another group is the transient type, who usually remain the city for short periods of time. The Health Department has less contact with this group, but on certain occasions when certain communicable diseases appear among transients promptly instituted procedures are necessary. In 1929 a small outbreak of smallpox occurred, in which the initial cases were traced to transients. In 1935 an epidemic of cerebrospinal meningitis started in a group of these migrants occupying certain rooming houses for such groups.

In addition to the acute communicable diseases noted in the paragraph above, tuberculosis is not infrequent in the transient and other low-income groups of migrants. The report on persons applying for hospitalization included four with tuberculosis indicating the presence of the disease in this group. A study of mortality statistics for certain sections of the city has indicated, however, that only a small percent of those dying of tuberculosis have lived in the District of Columbia less than 5 years. It appears more of these migrant groups die of tuberculosis because they are crowded into areas where housing conditions are poor and contact with the disease is frequent.

Still another group of migrant is now entering the District of Columbia. The development of the defense program has made it necessary to employ large numbers of workers, approximately 15,000 to date, in some departments or bureaus. Many of these persons are compelled to seek living quarters in a city already crowded. Some seek quarters in rooming houses of which there are an inadequate number of the better class. This is a repetition of conditions, as yet on a smaller scale, which existed during the World War. Should there be an epidemic of influenza or an unusual prevalence of other respiratory diseases, the danger of spread will be multiplied unless adequate housing facilities for this group of persons are provided.

SUMMARY

1. Data from Census Bureau records indicate that a large proportion of persons residing in the District of Columbia have migrated from other States. Available data on housing appears to indicate that housing conditions in the District are inadequate. Statistical studies made by the Health Department indicate that there is a concentration of population in certain sections of the city, and in these same areas mortality rates from various causes are higher than in other less densely populated sections.

2. Destitute migrants of interstate origin have a tendency to gravitate toward areas inhabited by low-income and indigent groups. These, as we have seen, are the most congested areas, the residents of which have the poorest health record and the greatest need for medical and public health services in the city. These services, which have been shown to be inadequate for the persons of established residence, are even more deficient or inaccessible to the newly arrived destitute migrant. Attached to this statement are nine maps illustrative of health conditions in the District of Columbia, which I should like to file as exhibits A to I, inclusive. Attached also is a set of case history records which we regard as typical of conditions we find among destitute migrants. Only the identifying names and addresses have been changed; otherwise the conditions described are those the Health Department nurse reported.

Abbott Nursing Office,
Washington, D. C., November 26, 1940.

To: Mrs. Prescott.
From: Miss Ferguson.
Subject: Cases of interstate migrants requested by Dr. Dauer.

Martin-Roberts-Dell family (Negro): David and Mary Roberts moved to the District of Columbia about 10 months ago from Lynchburg, Va. The family at that time consisted of father, mother, and four children. On July 8, 1940, another baby was born at Freedmen's Hospital, thus making seven in the family. The father does odd jobs—average income, $10 per week.

Family lives with sister of man and her husband in a basement apartment—two bedrooms and a kitchen.

About 4 months ago Frances Dell, who is a sister of Mary Roberts, and her husband, Benjamin Dell, also moved in. Soon after coming to Washington Frances Dell was delivered at Freedmen's Hospital, making three in this family.

On the nurse's last visit to the home, the mother of David Roberts and Fanny Martin was visiting the family. She, also, is from Lynchburg, Va.

Georgianna Taylor (Negro): Georgianna Taylor, age 18, came to Washington from North Carolina in March 1940. She secured employment as a domestic servant in a private home and was so employed until August.

Since her arrival in Washington Georgianna has shared a two-room basement apartment with three friends. There is no privacy since all members of the household sleep in the same room, which serves also as a sitting room.

In August Georgianna ceased work because of pregnancy and has been dependent on her friends for her support. She has tried unsuccessfully to obtain aid from the father of her baby. She plans to appeal to the juvenile court after the birth of the baby.

Georgianna has been attending the Maternal and Child Welfare Center at Weightman School.

Cartwright family (Negro): The Cartwrights started from South Carolina 7 years ago: Father, mother, and seven children. Although they insisted they wanted to stay in the District of Columbia, they were sent home by Traveler's Aid as they were unable to be self-supporting. Soon they were back again in Washington where they have been ever since—most of the time being partially or wholly on relief.

A year ago the house where they lived burned up and they lost all their furniture and clothing. Since that time they have lived in several places, usually in one room.

The family has grown to 12 children, 4 of whom have homes of their own. However, 2 of the girls also have infants of less than a year, so now in 1 room live: The father, mother. B'anche (age 17) and her newborn infant. Elfrida (15) and her 9-month-old boy, 2 boys, ages 13 and 15, 3 girls, ages 5, 7, and 11, and a boy, 3—12 persons in 1 fairly large room with 2 double beds and a davenport. Several of the younger children sleep on folded coats on top of trunks.

Evergood family (white): The Evergood family never stays long in one place, but this time they had lived nearly 3 years in New Jersey before coming to the District of Columbia. When Mr. Evergood could not find work the Public Assistance Division would give some help for the family which already consisted of Mrs. Evergood (who expected a new baby the next month) and five children ranging in age from 11 months to 10 years. She had been attending the prenatal clinic at the general hospital and had been accepted for hospital delivery, so was opposed to starting out at this time. However, Mr. Evergood was manager of this household. so all they owned—clothing, a few cooking utensils, and five children—was loaded on the half-broken-down Ford truck (assessed value $10) and they started for the District of Columbia. Two weeks later they arrived. No food—no money—no place to sleep. Two weeks till delivery of Mrs. Evergood and she did not feel very well.

The Salvation Army Emergency Home gave shelter and food to Mrs. Evergood. the two little girls, and baby boy, but house rules kept them from taking the 8 and 10-year old boys or Mr. Evergood. They slept in the truck at the tourist camp. The Public Assistance Division was unable to help as the family were nonresidents; however, they did give a surplus-food order which was the only food the boys and Mr. Evergood had for nearly a week.

It was impossible to get a permit for delivery for Mrs. Evergood, but due to the emergency she was sent to Gallinger and delivery by order of Dr. Jacobs. As the family had no address it is assumed that they loaded up the truck and went on after Mrs. Evergood was discharged from the hospital on her eighth day post partum. They have never asked for any further help from any agency and were never seen after they left Gallinger.

Dunbar family (Negro): Katherine and John Dunbar had been living in Stamford, Conn. Katherine was born there and when, late in 1939, John secured work there he met and married her. Soon afterward he decided to move to Washington. About the time they learned that Katherine would have a baby in November 1940, John deserted her.

She was unable to work due to illness, so a cousin took her in to a two-room apartment where she "does the housework" for her room and board. These rooms are already overcrowded—they are both small and dark. The one bedroom is used by the cousin and her husband. The living-dining room contains a studio couch and a davenport. Two "roomers" sleep on the studio couch and Katherine, the expectant mother, sleeps on the stiff, short davenport. She is unable to extend her full length.

She has attempted to locate her husband with the help of the Woman's Bureau, but, outside of rumors of friends who think they have seen him back in Connecticut, she has been unable to locate him.

TESTIMONY OF DR. GEORGE C. RUHLAND—Resumed

Mr. SPARKMAN. Dr. Ruhland, I suppose this heavy increase has developed some rather serious problems for your Department, too, has it not?

Dr. RUHLAND. Inevitably, Mr. Congressman, the influx of masses of people here is reflected in the health history of the community.

Mr. SPARKMAN. I notice the Census of 1940 gave the city of Washington, the heaviest increase in population, I believe, of any of the large cities in the United States. I do not remember what it was, but probably around 60 percent increase, was it not?

Dr. RUHLAND. Well, there has been a 60 percent increase since the last census, since 1930—between 1930 and 1940.

Mr. SPARKMAN. That is what I mean.

Dr. RUHLAND. There has been an increase of approximately 60 percent.

Mr. SPARKMAN. Was not that the heaviest of any city in the United States?

Dr. RUHLAND. No. As I recall, offhand, those statistics, Washington was in third place among cities that experienced a very marked expansion in population.

HOUSING PROBLEM

Mr. SPARKMAN. It has produced quite a housing problem, among other things?

Dr. RUHLAND. Yes. According to the information that we have on the available dwellings, there is a definite shortage to house the people that have come here. And that, of course, in turn, means that there is a doubling-up in such housing as is available. And that means close contact, including the well-known attending evils of the spread of communicable diseases.

Mr. SPARKMAN. Can you give us any idea as to the extent of overcrowding in the area where it is worst?

Dr. RUHLAND. Well, from the data we have been able to get on that subject, from the Washington Housing Association, they have estimated that, for the year 1938, there were some 608,000 rooms available for occupancy, of all types of dwellings in the District. At the same time, it was estimated that the population was about 627,000, or an increase of 141,000 over 1930, which indicated an increase of approximately 47,000 families. So, on the basis of those figures, there are about 18,000 persons who lacked adequate rooming facilities, and about one-half of the 47,000 families had no separate dwelling units in which to live. Obviously, this made for overcrowding and the attending ill effects.

Mr. SPARKMAN. What relationship is there between such overcrowding and improper housing, and the health condition?

Dr. RUHLAND. Well, we feel it is rather significant that from the areas in the District where we have the greatest density of population and overcrowding come the largest number of cases of communicable diseases and hospital admissions. That, I think, tells the story.

Mr. SPARKMAN. I believe that is all, Mr. Chairman.

The CHAIRMAN. Mr. Bondy, what kinds of people make up the nonresident population of Washington?

Mr. BONDY. Mr. Chairman, I think the character of the nonresident population is somewhat reflected by the causes that I gave a moment ago.

The CHAIRMAN. Yes; that is right.

Mr. BONDY. There are a great many unskilled laborers who come. In our own nonresident service, probably 60 percent of those who come to us for attention are unskilled laborers; the other 40 percent are professional workers and skilled people—so-called white-collar persons. Of course, thinking of the nonresident population as including those who are not seeking assistance in the way of relief at the moment, there are many here in Washington who come from the whole country, interested in Government employment—clerks and semiprofessional people. But the problem, as we get it from the relief and transportation standpoint, is concerned more largely with unskilled persons and a considerable number of the skilled group, for the reasons I have given.

The CHAIRMAN. In other words, there are more white-collar transients who come into Washington than would go to any other State?

Mr. BONDY. I think that probably would be true.

The CHAIRMAN. Have there been any figures made up, or is any survey being made, Mr. Bondy, that would throw any light on the transient load for a given year in the District of Columbia?

Mr. BONDY. I know of no survey that has drawn a circle around it. We can get a glimpse at it by some of the figures in the services that are rendered. For instance, in our nonresident service, there are approximately 4,200 individuals and family cases that come to our attention in the course of a year.

The CHAIRMAN. How many? I did not get that.

Mr. BONDY. Forty-two hundred. We know that our small municipal lodging houses only 45 and is always full; that lodging facilities are short during the winter months from 200 to 500 beds; that is, 200 to 500 homeless men are estimated as having no place of lodging. You can test some of that by looking at the grates in front of buildings where men stand through the night for warmth.

This nonresident insane problem that I mentioned is not nearly so large in extent, of course, as the other, and I would not wish to place it out of proportion in the minds of the committee.

TRANSIENT RELIEF FACILITIES

The CHAIRMAN. What does the District of Columbia itself do for the care of those nonresident transients?

Mr. BONDY. The District of Columbia, as a government, has three services—one is the Nonresident Service which Mr. Linden is responsible for and on which he can give any information the committee wishes. It deals primarily with the return to their home States of persons who are properly authorized for return by the home State. It deals also with a person who is transient here and may be helped through the period of nonresident stay.

Then there is the small, municipal lodging house to which I referred, caring for 45 men, and third, this service for the return transportation of nonresident insane.

The CHAIRMAN. Do you know of any deficiencies in the general relief set-up of the District of Columbia?

Mr. BONDY. Mr. Chairman, there are a number of deficiencies in our District of Columbia situation that relate to this nonresident problem. I should like to name very quickly four or five of them.

We, like all other communities, feel the effects of the lack of uniformity of settlement and residence laws. We here, and in our Nonresident Bureau, hear of the unequal way in which the States of the country deal with that question, some States being more generous and liberal in their authorization for the return of people, and others being very tight on it. That is a clear deficiency. There is no provision in the District of Columbia, in our own public funds, for the care of persons during the period of investigation of their residence, other than for homeless men through the lodging house. Private organizations, from whom you will hear this afternoon, do give certain care to families and other persons; but the public agency, the District Government, has neither facility nor funds for that. And in the instances in which residence is lost, there is no available relief fund to provide for care until some plan can be developed.

Third. There is a striking deficiency in the facilities for lodging and the care of colored people in the District of Columbia.

In the fourth place—I mentioned the deficiency in lodging facilities——

The CHAIRMAN (interposing). Right there: Where do these colored people go; if they do not find shelter, what do they do?

Mr. BONDY. I suppose that their care is apparently worked out in a way that comes less to our notice; because the colored community itself seems to take on some measure of responsibility. Many of them go into cheap lodging houses; some are taken in by people, and there are some church missions, but no organized system of care. Of course, colored homeless men may be cared for at the municipal lodging house.

The CHAIRMAN. Of the incoming migrants that come to the District of Columbia, what proportion are whites and what proportion colored people?

Mr. BONDY. Well, the proportion that comes to us, in our nonresident service, for attention is about 65 or 75 percent white. That is, among the unattached individuals. Among the families, it is nearer a 50–50 division.

I would like to mention one or two other significant lacks here, Mr. Chairman. Dr. Ruhland can speak on the lack of adequate facilities for the care of convalescents and those who are chronically ill in the District of Columbia. When nonresidents are here and in need of convalescent care, they suffer from the same lack that the District itself does. One of the principal lacks I want to stress is the inadequacy of the general relief funds in the Board of Public Welfare. No program for the care of nonresident persons can be adequately handled unless there is an adequate program of general care—general relief. Here, because of the limitations in the appropriations, we are able to extend relief only to unemployable persons, so that an employable person who cannot find private employment or W. P. A. employment falls between the cracks. That, therefore, leaves us no basically sound foundation of general relief adequacy for a nonresident program.

I think those are the principal deficiencies in the situation, Mr. Chairman.

The **Chairman**. Mr. Linden, do you have any funds for the care of nonresidents while an investigation of residence is being made, or until the plans are completed?

Mr. **Linden**. Well, we have $20,000 a year of funds.

The **Chairman**. For that purpose?

Mr. **Linden**. Yes. That includes funds for transportation.

The **Chairman**. Now, are the facilities for the care of homeless men adequate; if not, to what extent are they inadequate?

Mr. **Linden**. Well, they are not adequate, as Mr. Bondy has told you. The only facility we have is the muncipal lodging house, with 50 beds.

MEDICAL CARE

The **Chairman**. Dr. Ruhland, what qualifications must migrants meet to receive medical care and hospitalization from the Health Department?

Dr. **Ruhland**. The qualifications are the same that Mr. Bondy has already stated. There should be at least a history of residence for 1 year and then, of course, it must be proved that the person is economically unable to take care of himself. Obviously, however, illness or accident cannot wait, at times, for the determination of these points, and our service must be rendered under emergency conditions.

The **Chairman**. Now, during October of 1940, for example, were there any applications for hospitalization of migrants?

Dr. **Ruhland**. Yes.

The **Chairman**. Any from people who could not satisfy residence qualification?

Dr. **Ruhland**. Yes. During that month, we had over 1,600 such applications for hospitalization through our hospital-permit service.

The **Chairman**. What became of them?

Dr. **Ruhland**. Well, after being interviewed by the Hospital Permit Bureau, it was found that 122 had to be rejected because of their financial condition. That means it must be presumed they had some resources that could first be used.

Seventy-seven were admitted as part-pay patients. Seventy applicants had not been residents for 1 year. And we also, in this group, do not and of course we cannot, deal with them.

The CHAIRMAN. Is there any information concerning those applicants—their employment, former residence, length of residence in the District, size of family, reasons for application, and things of that sort?

Dr. RUHLAND. So far as this particular group of applicants is concerned, 17 of them showed a history of employment varying from 1 day to 8 months immediately prior to application; 20 were not at all employed; 7were classified as housewives and 5 as children, and for 1 there was no statement at all.

The CHAIRMAN. Has the migrant intensified the problem of dealing with tuberculosis in the District of Columbia?

Dr. RUHLAND. Undoubtedly. So far as tuberculosis is concerned, I think the evidence is rather strong that the influx of persons who come here in the hope of getting a job, without knowing they will get a job, forces them into economically undesirable conditions—bad conditions of housing. And so, sooner or later, they will break down with tuberculosis or contract infections. And that, I think, definitely contributes to the somewhat still undesirable high mortality rate in certain categories of communicable diseases in this community.

RESIDENCE REQUIREMENT FOR RELIEF

Mr. CURTIS. Mr. Bondy, I believe you testified that the residence requirement for relief in the District of Columbia is 1 year?

Mr. BONDY. For general relief; yes, sir.

Mr. CURTIS. To what extent must they be residents—just merely being here? Do you discriminate against them if they have obtained a voting residence in one of the States?

Mr. BONDY. That is not a consideration of eligibility for relief—the maintenance of a voting residence in another State. I mean the existence of a voting residence in another State does not mitigate against eligibility of a person for relief.

Mr. CURTIS. From what States or areas come most of the nonresident relief families that you have?

Mr. BONDY. You mean to limit that to families, or unattached individuals and families?

Mr. CURTIS. Primarily to families at this stage.

Mr. BONDY. Primarily the neighboring States; the Carolinas, Virginia, Maryland, and New York State; although there is a scattering from greater distances. But that is the predominant source.

Mr. CURTIS. From how far west do family migrants come into Washington?

Mr. BONDY. As far as California, Mr. Linden says.

Mr. CURTIS. That is quite a way. Could a local problem of nonresident care in the District of Columbia be effectively conducted, independently of a national or Federal program?

Mr. BONDY. Mr. Congressman, my judgment is that it could not; that any local program that would be adequate would find itself overpowered, overburdened, unable to deal with the needs, if it were not also a part of an equally adequate program dealing with the problem elsewhere. That could be illustrated by the lodginghouse facilities, for instance. If the 200 to 500 men were provided for, who are not now given lodging in the winter here, it would not take more than 24 hours for the eastern seaboard to know that that provision existed, and there would then be another 200 to 500 that could not be cared for. Similarly, in matters of working with individual families and their actual relief outside of lodginghouse facilities, there should be, to be adequate and effective, a balanced national program of which the local program is a coordinated part.

Mr. Curtis. Mr. Bondy, do you think of anything else that you would like to mention, or amplify, in the way of any proposal for the care of nonresident destitute persons in the District?

RECOMMENDATIONS

Mr. Bondy. I should like to reiterate the four points that I placed in my statement, for the committee's information, some of which the committee undoubtedly has had from other sources.

First of all, our situation here would be greatly helped with uniform State residence and settlement laws. I think I need not amplify that. The committee is acquainted with the point of view back of that proposal.

Second, the District of Columbia, because it is the Nation's Capital and because so much of its nonresident and general relief problem ultimately is created because it is the Nation's Capital, can very properly look to the Federal Government for aid beyond what is now given, in the financing of that general relief and that nonresident work.

My proposal is that there be added to the Federal Social Security Act a section which would recognize the uniqueness of this District of Columbia situation and which would provide for the matching of District of Columbia funds for general relief on a 50–50 basis with Federal Social Security funds, in the same fashion that there is a matching of local funds with Federal funds for old-age assistance, aid to dependent children, and aid to the blind. I have submitted to the committee in my statement a draft of an amendment to the Federal Social Security Act to accomplish that.

My third proposal is that, as a part of a Federal program, in the way I spoke of a moment ago in answer to a question, suitable provision of funds should be made for the care of nonresidents during the period of investigation of residence, and for the care of nonresidents whose residence is lost, here in the District of Columbia.

And my final proposal is that there be a reasonable—I do not name any figure at the moment—addition to the municipal lodginghouse facilities beyond the 50 beds that are now provided.

TESTIMONY OF DAVID G. LINDEN—Resumed

Mr. Curtis. Mr. Linden, what happens to persons for whom you are unable to care?

Mr. Linden. Well, a great portion of the men who come to our Bureau are on their way through, north or south, and perhaps stay for one or two nights. We take as much care of that group—of as large a group—as we can, and the other groups are referred to the facilities that have been mentioned—lodginghouses in the District of Columbia.

Mr. Curtis. And private charitable agencies?

Mr. Linden. That is right.

Mr. CURTIS. Does the lack of uniform residence and settlement laws show up in your work?

LACK OF UNIFORM SETTLEMENT DETERRENT TO RELIEF PROCEDURE

Mr. LINDEN. Yes; it does, for the simple reason of loss of residence in another State, the nonresident leaving one State, and going into another State and losing his residence in his home State.

Mr. CURTIS. Well, do you have more cases from States that have rigid settlement laws than from those that have liberal settlement laws?

Mr. LINDEN. Well, as I say, our intake is generally from the eastern seaboard, and the laws in the eastern seaboard States vary from 1 year to 5 years on residence. Massachusetts and New Jersey have a longer term for establishing residence. I do not have the number of States that have uniform 1-year residence laws. California has a 3-year residence law.

The CHAIRMAN. It is 5 now; they are raising it a little bit all the time.

MOUNTING HEALTH PROBLEM

Mr. CURTIS. Dr. Ruhland, you have stated that the employment of more workers on the defense program here in the District has had its effect upon the general health situation. What might be done by the Health Department to meet the needs of these destitute persons that is not now being done?

Dr. RUHLAND. Obviously, if we cannot stop the influx of those who have not a definite job in prospect that will enable them to maintain themselves, then, for humanitarian as well as health-protection reasons, there must be an enlargement of the existing facilities and machinery of the Health Service to give those persons such aid as they may require.

Mr. CURTIS. Dr. Ruhland, what facilities do you require at the present time?

Dr. RUHLAND. Personally, I am strongly convinced that it would be good economy if there were in Washington a greater development of the so-called Health Center. By that I mean development, regionally, in the districts that house economically disadvantaged people, or districts from which experience shows that we draw the largest number of clients who ultimately go to hospitals. There we should set up such buildings as are required, where facilities would be offered for the diagnosis of cases and for emergency or temporary treatment. It would be by such a development that we would be able to prevent the complete break-down of health, involving a much more costly hospitalization.

Mr. CURTIS. Do you have many pauper burials in the District of Columbia?

Dr. RUHLAND. That does not fall under the Department of Health, and my answer to that would not be adequate or competent. But, undoubtedly, there is quite an item required to meet those contingencies.

Mr. CURTIS. Do you know what percentage of the deaths are premature, or the percentage of deaths at a premature age?

Dr. RUHLAND. That, again, is a large question that I do not believe I can answer competently in full. Our history shows among the economically disadvantaged group quite a number of premature deaths, in the literal sense of children born prematurely. Then, it is obvious that all those deaths that happen from preventable diseases are definitely premature, because they have not lived their normal life expectancy. Into that category would fall, for example, tuberculosis. While tuberculosis mortality is lower in the District than it has been heretofore, it is still high for cities in the Washington population group, and there is considerable room for improvement.

Mr. Curtis. What suggestion do you wish to make with reference to providing improved housing accommodations?

Dr. Ruhland. The Department should be enlarged by the addition of competent sanitary engineers who can deal with housing problems. There should be close cooperation with the existing private agencies. For example, the Washington Housing Authority has done very admirable work in this field. The construction work is being subsidized by the Federal Government. However, it is realized that the housing program cannot keep pace with the influx of people. Apparently, also, the more it becomes known that Washington is stirring itself in providing this housing, the more it will act as a stimulus to bring migrants here hoping to land jobs. That idea of obtaining jobs seems to mark the somewhat tragic and undesirable cycle of the migrant.

Mr. Curtis. Do you have any further recommendation to offer in reference to this migrant problem?

Dr. Ruhland. No, sir. I think that it has been stated in large part by the witnesses you have heard. I have only touched on the high spots of the problem from the public-health viewpoint, as well as suggesting some remedies that might be applied to it.

Mr. Curtis. I want to say to you gentlemen that we appreciate very much your appearance. Your presentation has been very valuable in giving us a picture of the situation in the District of Columbia.

The Chairman. Your prepared statement will appear in the record.

The committee will stand in recess until 2 o'clock.

(Thereupon, the committee took a recess until 2 p. m.)

AFTERNOON SESSION

Upon the expiration of the recess, the committee resumed its hearing at 2 p. m., Hon. John H. Tolan (chairman) presiding.

The Chairman. The committee will please come to order. The first witness this afternoon is Mr. Stauffer.

TESTIMONY OF WILLIAM H. STAUFFER, COMMISSIONER, VIRGINIA DEPARTMENT OF PUBLIC WELFARE, REPRESENTING GOV. JAMES H. PRICE

The Chairman. Please give your full name, address, and the official position you hold, if any.

Mr. Stauffer. My name is William H. Stauffer, and I am the Commissioner of Public Welfare of the State of Virginia.

The Chairman. Mr. Stauffer, would you give the committee your general observations as to the extent of the problem of migration in

Virginia, especially as to the causes and the number of persons involved?

Mr. STAUFFER. Mr. Chairman, I have submitted a statement in writing to the committee which I would be glad to read. I assumed that it would be made available to the committee.

The CHAIRMAN. Yes; and it will be made a part of the record.

(The statement referred to is as follows:)

STATEMENT OF WILLIAM H. STAUFFER, COMMISSIONER OF PUBLIC WELFARE OF THE STATE OF VIRGINIA, REPRESENTING GOV. JAMES H. PRICE

MIGRANTS IN VIRGINIA

In presenting certain observations regarding the migratory aspects of labor in Virginia, it seems appropriate first to offer several general comments involving matters of which your committee is no doubt already aware.

1. People do not move from place to place either for the sake of inconveniencing themselves or in order that they may fare worse by their movements.
2. The motivating factor in interstate migration of able-bodied workers must be found to arise out of economic self-interest. This instinctive urge may be misguided, or it may be the result of ill-planned sojourning. Whatever its results, its causes are definable.
3. The basic cause is a system of agricultural economy which does not provide a year-around labor market for all the individuals whose services are required in the growing and harvesting of crops. If the agricultural economy of a particular community were in respect of its labor aspects self-sufficient, the problem of migratory movements of large numbers of persons to meet seasonal harvesting needs would not exist.
4. Assuming that the powers of the soil cannot, under the prevailing system of agricultural economy in a particular community, sustain on a year-round basis its maximum labor needs, it might nevertheless be possible to plan for the community a program of total economy (agricultural and nonagricultural) which under coordinate functioning would provide a year-around living for permanent residents in a number sufficient to meet the peak needs of agriculture.

SPECIFIC OBSERVATIONS ON THE VIRGINIA SITUATION

When public interest and attention has been focused on a particular social problem, little difficulty is experienced in "lime lighting" in a sensational manner incidents which are no different from the day-to-day occurrences in the general social structure and organization of a community.

The migratory movement of harvesting labor in and out of the Eastern Shore counties of Virginia has been an accepted practice for many years. The permanent residents of this area are no doubt aware of the fact that the social well-being of migrants leaves much to be desired. It is equally true, however, that the social life of some of the permanent residents of the area is little different from that of the migrants.

Economic ill fortune is a potential hazard confronting every citizen. The average community daily experience shifts in the economic well-being of its individual members. The significance of these changes is not impressive because of their scattered nature. It is only when the concentration of instances occurs that the attention of the public is drawn to the unsavory results.

Housing.—Conditions on the Eastern Shore for the accommodation of the migrant population insofar as housing is concerned are admittedly bad. They are not, however, by comparison a great deal different from conditions surrounding a good segment of the permanent population.

Health.—The movement of so large a group of migrants into any area constitutes a serious health hazard. On the Eastern Shore Virginia has two counties—Accomac and Northampton. The former has no organized health unit, the latter has such a unit. The local welfare department in Accomac had no funds with which to provide medical care for the migrants who, during the past summer, were taken sick on their movement through the county. Fifteen cases were referred to the local welfare department with the request that they accept responsibility for medical care. All of these had to be rejected. The nature of the maladies affecting the migrants was not known to the welfare department of Accomac. In Northampton county, where the health unit was in operation, record was kept of diseases affecting the migrant population. This record indicates that there were cases of typhoid, dysentery, tuberculosis, syphilitic and venereal diseases. There was one case of poliomyelitis, which entered the county from Charleston, S. C. Northampton County expended out of welfare funds the sum of $240 for hospitalization and burials for the transient group, while Accomac paid out only $20 for such services. The Northampton governing board has adopted a local ordinance regulating the matter of sanitation with sewerage disposal in homes and camps housing transient labor. Such an ordinance does not exist in Accomac.

Educational facilities.—No especial problem is found in the Eastern Shore counties in the matter of children of school age, for the reason that the dates as of which this movement occurs in Virginia are within those months when the average child has completed the school year.

Aftermath of the migratory movement.—The group generally moves on en masse after the harvesting is completed. Those who remain behind are there because of illness and other incapacity. The welfare department endeavors to dispose of these cases as rapidly as possible. Some problems have resulted in effecting a return to the place of settlement of some of these cases. Those who employ labor are, in some instances, most reluctant to assume responsibility for returning incapacitated transients who are employed by them back to their place of settlement. Occasionally, surplus commodities are made available to these cases. It is very difficult in some instances to establish the place of settlement.

Moral conditions.—Various and sundry rumors periodically get abroad regarding the conditions of morality among the transient group. Such information as is available to the Commissioner leads him to the conclusion that, while the levels of morality are not ideal, they are far from being as abject as they tend to be portrayed in the popular mind. Practically all of the migrants are colored. Illegitimate children have sometimes been left behind, but it is questionable whether the rate of illegitimacy among the group of transients is greater than that for the population at large.

Conditions elsewhere in the State.—Outside of the Eastern Shore area the problem of the migratory agricultural labor group may be regarded as constituting no serious problem. In some of the southwest mining counties, where operations have substantially slowed down in recent years, there is, however, a problem of what might be termed "stranded populations." The relief loads in some of these areas are disproportionately high when compared to the average of the State as a whole. There being little other alternative by way of occupational opportunity to these stranded families, it would be in the interest of social welfare if such groups were enabled to migrate to places where work opportunities could be found. In tidewater Virginia there are 15 or 20 counties which today have populations less than were found there in the census of 1790. A decadent agriculture has made it impossible for the population to be maintained as in earlier times, in consequence of which there has been, over a period of several generations, a movement out of the areas. It can hardly be argued that governmental programs should have been instituted to subsidize the agricultural communities within such areas. Such areas are in no favorable position to compete with other areas more naturally productive or better suited to the maintenance of an agricultural project. A goodly bit of the agricultural population which left tidewater Virginia in recent years has undoubtedly been absorbed in the cities and towns. The growth of Richmond as a tobacco-processing center has undoubtedly operated as a device to absorb some displaced agricultural labor. Development of industrial activities elsewhere throughout the State has no doubt operated in a similar manner. Further expansion of industry in the South will undoubtedly operate to alleviate some of the problems arising from the insecurity of land tenure, just as it has in the past.

Virginia is concerned with the well-being of its people. It recognizes that there are many problems which have already been met in part. It is not, however, particularly alarmed over the problem of migratory agricultural labor. It will welcome and lend support to any sound and constructive devices which may look toward a better balance in its internal economy.

TESTIMONY OF WILLIAM H. STAUFFER—Resumed

The Chairman. Independent of that statement, have you any further observations to make about this problem?

Mr. Stauffer. Mr. Chairman, I feel very inadequate to get up here and discuss a problem which we must admit is a big one.

The Chairman. Yes; it is certainly a big one.

Mr. Stauffer. Yes, sir; and the problem does exist in Virginia. We recognize it as a problem about which we would like to do something. The problem is confined primarily to the Eastern Shore counties of the State, the counties of Accomac and Northampton. The problem arises out of the employment of a labor group which is engaged in following crop maturities from Florida, through Virginia, and on up to New Jersey, I believe. It is a most serious problem. The greatest concentration of this group comes through Virginia during the strawberry-picking season, which occurs about the second week in May, when anywhere from 4,000 to 6,000 persons come through the State. They go over to the Eastern Shore and are there employed to help in harvesting that product.

The Chairman. Where do they come from mainly?

Mr. Stauffer. On the basis of the information I have, it seems that a count of heads would show that the largest number come from Florida. Whether they are residents of Florida, I cannot say.

The Chairman. We found that to be true in New Jersey also.

Mr. Stauffer. Checking the automobile license plates was one index we had of the fact that most of them started from Florida. Whether they happened to pick up at that point, or whether they were residents of Florida, it is difficult to say. It is difficult to establish the residence of people, because under the local settlement laws it is difficult to prove where they have residence, or whether they have residence anywhere.

RESIDENCE LAW

The Chairman. What is your residence law in Virginia?

Mr. Stauffer. If we speak about the eligibility of a person for relief, our statute provides that a transient cannot become a public charge until he shall have attained a residence of at least 1 year. That problem, of course, raises a question upon which I would like to make brief comment, because under the settlement law we are prohibited from affording relief to such of those persons who come there, and who, either through lack of employment during the season or because of becoming disabled or sick, are unable to care for themselves. The local communities in which they reside are under no obligation to afford them any relief, but the communities or local subdivisions there may give them relief on their own initiative—that is, it would not be violating the Virginia statute if they did it. However, public sentiment, of course, would support the argument that you should grant aid first to those who are legal residents of the community.

The Chairman. In other words, to take care of their own families first?

Mr. Stauffer. Yes, sir.

The Chairman. I understand you thoroughly on that, and I think our records will bear me out when I say that every State in the Union has as much as it can do to take care of its own residents.

Mr. STAUFFER. I can certainly say that is true as to Virginia. Our general relief program is quite definitely limited, and I can honestly say that there is a good deal of distress and need for public assistance among our own people. I do not know what the solution for the problem is.

The CHAIRMAN. Something that Mr. Ryan said this morning keeps recurring to my mind: We have an Interstate Commerce Commission, and we have spent millions of dollars through Congress and the highest courts of the land to establish and maintain the status of coal, iron, steel, and other commodities flowing freely through the States, but the human creators of those commodities have never had any commission of any kind for their benefit. That makes a peculiar situation. Now, imagine such restrictions among the States in the carrying of commodities by transportation agencies. For instance, the State of South Dakota would never dream of raising a barrier against the shipment of wheat from North Dakota, although South Dakota has all the wheat it could ever use or sell. Yet, we make this other movement of destitute human beings a crime. That is why this committee has been functioning.

Now, what means of transportation do these migrants who come to Virginia use?

TRANSPORTATION

Mr. STAUFFER. I must ask pardon for not being able to give first-hand information. I cannot give it from first-hand knowledge, and that is true of many of the statements I make. I have not made as detailed an investigation of the subject as I wish I might have done. I wish it might have been possible for the State department of public welfare to do that. I hope to be able to give the necessary time for such a study. So far as I can learn, most of them come in by automobile.

The CHAIRMAN. We have testimony that these migrant workers who are being transported out of Florida across State lines are charged $17.50, $5 down and then the remainder is collected after they get jobs. We also found that to be true in Texas and Oklahoma. There is no rest for them, because when the transporters start them out, they shoot them right through, not like cattle, because cattle are given a rest every 24 hours.

Mr. STAUFFER. I have heard stories like that. I do not know, but I understand that some of them are so transported into the State of Virginia.

The CHAIRMAN. Has the migrant problem become rather acute in Virginia?

Mr. STAUFFER. I consulted the local welfare superintendent of Accomac County just before coming up here. His problem this year was apparently no more acute than it has been in previous years. Some sickness developed in that particular county. There being no local public health unit in the county, there was no requirement for the observation of adequate sanitation by those people. It was stated that there was a constant threat there of an epidemic breaking out.

The CHAIRMAN. Where do they live while waiting for work?

Mr. STAUFFER. I am told that they live in shacks. Sometimes they may be provided with houses.

The CHAIRMAN. Have you seen those shacks yourself?

Mr. STAUFFER. No; sir. I have seen the pictures on the wall here (exhibit in the hearing room), indicating what sort of houses they are. I did not see anything from Virginia on that side (indicating), but there may be some here.

The CHAIRMAN. It presents a problem of health as well as of education.

Mr. STAUFFER. It is much more a problem of health than of education, because at the time these people come through the State, the children, for the most part, would not be going to school if they were living in rural areas anyhow. They come through there about the middle of May.

The CHAIRMAN. Speaking about sanitation, at Los Angeles, Calif., there was a family of whom 8 were children. They had made the trip from Oklahoma. The committee also traveled from Oklahoma to California. It was testified that the family lived 12 or 14 in a tent. I asked the head of the family this question: "I suppose that in the tent you had the latest sanitary facilities." He added, "What?" I said, "I suppose you had the latest sanitary facilities," and he said, "No, we had the earliest."

What kind of work do these migrants do?

SEASONAL CROPS

Mr. STAUFFER. We have several crops that these laborers work on. Beginning with berry picking, they continue on through the potato season. I have never seen them at work.

The CHAIRMAN. How long does the season last?

Mr. STAUFFER. The strawberry season lasts, I believe, from 4 to 6 weeks.

The CHAIRMAN. Do you know what pay they receive?

Mr. STAUFFER. I saw some figures on that, and I was particularly impressed with the low total net earnings that some individuals and family groups received over a given period. Frankly, I cannot understand how they can very well exist on the basis of the figures I saw.

The CHAIRMAN. Do they get so much per basket for picking strawberries?

Mr. STAUFFER. Yes; I believe it is based on the quantity of production. The more efficient ones enjoy larger earnings.

The CHAIRMAN. Has the migrant problem been on the increase in your State recently, or on the decrease?

Mr. STAUFFER. I cannot say whether it is on the increase or not. There is one very interesting thing to observe, and that is that with the introduction of labor-saving machinery in the cultivation of the soil it is true that a good bit of agricultural labor automatically has been displaced, but in the application of mechanical methods to harvesting in our agricultural system the work is still largely confined to the work of the individual, and, therefore, we find ourselves in the rather strange position of diminishing the need for labor in the cultivation of the soil and increasing the need for labor in the harvesting of the crops.

The CHAIRMAN. Now, I have read your statement here, and it is a very good one. Have you covered what you wanted to say in this statement?

Mr. STAUFFER. Yes; I believe so, Mr. Chairman.

The CHAIRMAN. If there is anything additional that you want to call to the attention of the committee we will be glad to hear it.

Mr. STAUFFER. If you will permit some further observations, this may not be particularly pertinent to the matter that you are discussing, but it does bear upon the question or problem of labor. We have, in some of the southwestern counties of our State, a situation in which I would like to see some migratory influences at work. In some of the southwestern counties there have been coal-mining operations in the past. Those mining operations have sustained the groups residing there. Now, when that production has gone down so far that it is no longer profitable to operate the mines, there is a stranded population in some of those areas. It has become a problem for the welfare workers, and the W. P. A. has helped out in a large measure. In other cases, however, where the W. P. A. has not been able to function, we have afforded some general relief under our direct relief program. That is not a problem of migratory labor, but of static stranded labor. The situation with respect to the migrants is an agricultural one. That labor must be in the State, and I do not believe the situation is particularly acute. That is true throughout the northern part of the State during the apple-picking season. That is really a higher type of labor than we find on the Eastern Shore. The labor there has to be recruited locally for the harvesting operations.

I appreciate very much the opportunity to come up here and talk to you. I came not so much because of what I might contribute to the discussion, but for what I might learn from you.

The CHAIRMAN. Do you know anything about the apple-picking operations around Winchester?

Mr. STAUFFER. Not much. I discussed that with the labor commissioner last week, and asked him if there was any acute problem there, and he said virtually what I have stated, that while there was some movement in there, the social and economic conditions surrounding the people in there was entirely different from those that attended the people on the Eastern Shore.

The CHAIRMAN. From the study you have made of this problem, and the more you think about it, I think you will come more definitely to the conclusion that it is really a national problem. Certainly this migration of destitute citizens from State to State constitutes a national problem.

Mr. STAUFFER. In my judgment, it is a problem that can best be dealt with through a national authority, rather than leave it to the responsibility of the States.

The CHAIRMAN. That is the way the Federal Government handles the free flow of commodities through the States. That is something we watch pretty closely. Now, you are a resident of the State of Virginia, but you are also a citizen of the 47 other States. But if you start out traveling, and are broke, you will find many obstacles.

Mr. STAUFFER. You will find many fences erected against you.

The CHAIRMAN. We thank you very much for your appearance. The statement you have filed will appear in the record.

The next witness is Mr. J. Milton Patterson, director of the Maryland Department of Public Welfare, representing Governor O'Conor.

Mr. COLLINS. I would like to file for the record the statement of Mr. J. Milton Patterson, director of the Maryland Department of Public Welfare, representing Gov. Herbert R. O'Conor. Mr. Patterson was unavoidably detained, and cannot be present.

(The statement referred to is as follows:)

STATEMENT OF J. MILTON PATTERSON, DIRECTOR, MARYLAND DEPARTMENT OF PUBLIC WELFARE, REPRESENTING GOV. HERBERT R. O'CONOR

MIGRATION IN MARYLAND

It goes without saying that there is considerable migration which, except in a general way, does not come to the attention of this department by reason of the fact that these persons manage to get along without relief. The migration of labor and the housing and health conditions resulting from this type of migratory living we assume are being reported upon by other governmental departments closer to the problem.

Within the experience of the State departmnt of public welfare and the local departments of public welfare of Maryland, we find a tendency for the problem to divide itself into three classes of persons. These are:

1. Homeless persons who are actually "on the road" and who constitute that group of persons who apply to overnight shelters such as are conducted by the Salvation Army or to agencies like the Traveler's Aid Society for care and assistance. Very often these are unattached persons, although many of them are also in family groups.

2. Persons or families who have moved from one community to another State, who have established a home but who become destitute before they have lived in the new community as long as a year, and who are therefore not eligible for public aid. These persons are not migratory any longer. Usually it is illness, accident, or failure to find work which precipitates their need to apply for help.

3. Persons or families who have lived for many years in the community, who become destitute and when they apply for assistance find that due to some technical reason they are not eligible for assistance on the score of residence.

In the State of Maryland the public departments do not maintain shelter care for transients. The city of Baltimore, however, pays most of the operating expense of a shelter for men maintained by the Salvation Army.

The problem of the person on the road has not been so acute in the counties of this State as to bring it to the attention of the State department. In any county a traveling person who becomes stranded may be able to have some overnight arrangements made for him at local expense entirely. There are no State funds participating in expenditures for assistance to persons who are not regarded as residents of the State. In a few communities, the Salvation Army maintains shelters; in others the county homes or jails offer overnight care.

We find the most serious problem for this department and its local units arises around the second and third groups listed above. This State has a year's residence requirement established by rule and regulation of the State department as a condition of receiving general assistance. Other States have similar residence limitations, frequently requiring longer periods to establish residence. We have become increasingly aware of the hardship that is being caused by these residence restrictions to families who have moved from one State to another to establish a home, and who find themselves in need of assistance before they have been residents for a year.

We cite below a few of the situations which have come to our attention recently and which we believe reflect the undesirable social results of efforts on the part of the States to keep down their relief burden by invoking a residence requirement.

1. A county in this State has recently received a request from another State to "authorize return" of a woman who has become dependent upon the public hospital care in another State. The woman has never lived in county X, to which the letter was sent. Her husband, from whom she had been separated for 15 years, died in county X 2 years ago. Due to the fact that the State

in which she has become ill and destitute interprets its residence law to mean that the residence of a widow continues to be that of the State in which her husband dies, the aforesaid State wishes to have county X "acknowledge legal residence and authorize return" of this woman. There can be no question of the undesirable results for one individual to be moved to a new and strange community where she has no ties of any description.

2. A woman who has been separated from her husband for a number of years and who has been working in another State, loses her job and finds it necessary to apply for assistance. By reason of the fact that a divorce has never taken place (and poor persons frequently cannot afford to pay for the cost of the divorce) this woman's residence is interpreted to be that of her husband, even though it means moving to a community where she lived for less than a year a number of years ago. The State where she now has become dependent wishes to have county Y "authorize her return." Both this and the previous case reflect the hardship caused by the inability of a woman to establish an independent residence under certain conditions.

3. A man deserts his wife and three children and leaves them in county Z. where the wife and children have lived all their lives. The man wanders from place to place and after many years' absence is known to be living in another community, with seasonal employment.

The mother and children now become destitute and apply for assistance. Fortunately the Federal Social Security Act will not permit a State to participate in benefits from the Federal Government if it denies assistance on the basis of residence to a child who has lived for a year within the State. However, the shortage of funds for aid to dependent children in many localities means that assistance is not available and efforts may be made to move this family from the State in which it has always lived to the new place where the father and husband, who has never assumed any responsibility for their care, now has established a "legal" residence.

Many cases of this description come to our attention. We receive such requests from other States, and we also send them. In the city of Baltimore, when there is reason to believe that a family has residence elsewhere, only temporary assistance is given and when arrangements have been completed to return them, assistance is discontinued. This type of activity is precipitated by the shortage of general relief funds which causes every local and State department of public welfare to seek to keep its expenditures down.

We believe there are two major changes which would create a more humane situation and that would, in the long run, be more economical than the present system. These two changes would be:

1. Federal participation in general relief expenditures with a provision for 100 percent reimbursement by the Federal Government for payments to nonresident persons.

2. Standardization of State residence requirements. This will undoubtedly take a long time, and in order to bring it about there will be required some national leadership lodged in a permanent organization which would develop uniform terminology, design recommended legislation, and facilitate the development of reciprocal arrangements between the States.

The aspects of the problem pertaining to migratory labor will be dealt with in a later memo to be submitted to the committee.

State Department of Public Welfare,
Baltimore, Md., December 12, 1940.

Hon. John H. Tolan,
Chairman, Committee to Investigate the
Interstate Migration of Destitute Citizens,
House of Representatives, Washington, D. C.

Dear Mr. Tolan: We are enclosing a report prepared by the Maryland Commissioner of Labor and Statistics relating to migratory labor.

Sincerely yours,

J. Milton Patterson, *Director.*

OFFICE OF COMMISSIONER OF LABOR AND STATISTICS,
Baltimore, Md., December 11, 1940.

Mr. J. MILTON PATTERSON,
Director, State Department of Public Welfare,
Baltimore, Md.

DEAR MR. PATTERSON: In compliance with your request of December 5, 1940, I am submitting herewith answers to the questions pertaining to migratory labor as set forth in your letter.

Very truly yours,

JOHN M. POHLHAUS, *Commissioner.*

Question 1. What are the seasons for the various crops which bring migratory workers?

Answer 1. (*a*) May to July, inclusive; chiefly intrastate labor, by which we mean residents of the State following State crops.

(*b*) May to November, inclusive; intrastate as set forth in paragraph A, supplemented by interstate help or nonresidents of the State. From July 1 to November 15 the orchards of western Maryland secure approximately 500 migrants from the States of Virginia, West Virginia, and Pennsylvania.

Question 2. What are the methods of getting the workers into the community?

Answer 2. The method by which workers are secured is primarily through row bosses or the padrone system.

Question 3. How are the workers recruited?

Answer 3. Row boss makes contract with employer, whereby he supplies labor and pays labor. Row boss usually works on bonus system. Some farmers do not contract with row bosses but secure own help, paying on hourly or piece-work basis. In the case of the orchard workers, the foreman of the orchard usually goes into the mentioned States and brings them to the orchards.

Question 4. What kind of contract is made with the employer?

Answer 4. No information available.

Question 5. Approximately how many workers come into the State for the various seasons?

Answer 5. Since so many conflicting estimates have been given by various agencies, it is believed that even an approximate estimate would prove misleading.

Question 6. What are the housing conditions and sanitary facilities?

Answer 6. This question should be referred to the State health department. We are enclosing herewith a copy of regulations adopted by the State board of health, effective as of June 12, 1930, and refer you to pages 3 and 4, captions, "Toilets," and "Living Quarters," paragraphs 15 to 33, inclusive.

Question 7. What happens to the workers after the season is over?

Answer 7. No information available.

We regret that it is not possible to supply the committee with information relative to the subject of the hosiery and garment industries which are moving into the State, especially to small towns and rural sections, as we have no prior indication of such intention, our first contact being from the filing of registration cards as required by law, after the establishment is in operation.

(The following statements were later submitted to the committee and accepted for the record:)

STATEMENT BY RAYMOND T. BOWMAN, DEPUTY SECRETARY, PENNSYLVANIA STATE DEPARTMENT OF PUBLIC ASSISTANCE

THE PROBLEM OF MIGRATION IN PENNSYLVANIA

The following statement regarding the problem of migration of nonresidents in Pennsylvania is based on information collected by the Pennsylvania State Departments of Public Assistance, Labor and Industry, Welfare and Public Instruction. On July 24, 1940, the writer was designated by the Honorable Arthur H. James, Governor of Pennsylvania, to prepare a statement for presentation at a hearing before the Special Congressional Committee Investigating the Interstate Migration of Destitute Citizens. This statement is submitted in writing at this time for the committee's records in accordance with the suggestion of the Honorable John H. Tolan, chairman.

I. THE PROBLEM

The problem of migration of nonresidents who become destitute while in Pennsylvania concerns primarily the following classes of persons:

1. Workers and other persons who come to the State with the intention of establishing residence. Such persons usually come because of the hope or promise of a job in Pennsylvania. The journey may be motivated also simply by lack of employment opportunity in the home State, sometimes coupled with lack of provision for general public assistance.
2. Workers and other persons passing through the State as transients with no intention of stopping for any appreciable period.
3. Workers who come to the State to obtain seasonal or other limited employment with intention of leaving again (the true migratory workers).

From a public-assistance standpoint, persons in the first group constitute a more serious problem than those in the second and third. In fact, available evidence indicates that the number of true migratory workers coming into Pennsylvania at the present time is relatively small, due to reasons which will be mentioned further on, and that transients passing through the State who become public charges are comparatively few.

Such problems as exist with respect to the three groups combined, however, are definitely accentuated by the nature of the State's public-assistance program.

Pennsylvania is virtually unique among States in the extent to which the State government has assumed financial responsibility for general assistance. This portion of the program of the State department of public assistance (which also administers old-age assistance, aid to dependent children, blind pensions) is 100 percent State financed. Moreover, general assistance is provided to residents on a uniform State-wide basis. There are no county or other local settlement restrictions. In terms of average grants the program has an outstanding record with respect to the relative adequacy of the aid given.

Under circumstances such as these, it is readily understandable that the State public-assistance law should include definite restrictions as to the assistance which may be given nonresidents. To do away with State residence and settlement requirements, while wide disparities continue to exist between public-assistance provision in Pennsylvania and other States, would inevitably place a heavy and mounting new burden on the State's taxpayers. An economically unjustified influx of unemployed and unemployables would be encouraged. The entire assistance program for needy residents would be threatened.

At the present time the public-assistance law requires that an applicant, to be eligible for general assistance, must have:

(1) Legal settlement in the State (acquired by 1 year of continuous residence without becoming a public charge); and also

(2) Two years' continuous residence in the State immediately prior to application (unless a person previously having the required 2 years' residence has lost it solely by leaving the State for employment purposes and has not acquired settlement elsewhere).

The only provision by which a destitute person who does not meet these requirements can be aided is through temporary emergency assistance, if the family or individual is lodged in a fixed domicile. Such assistance continues only until arrangements can be made for removal to place of legal settlement. Transportation costs for removal may also be provided if the person is willing to return to place of settlement. If he is unwilling or if settlement elsewhere has been lost, further assistance may not be granted.

No provision is available for public assistance to the person who is strictly a transient or wanderer, although the State department of welfare reports that in most counties such individuals may receive overnight shelter at county homes. In a few larger cities there is also some municipal subsidization of private shelters which accommodate transients.

Although the nature of the problem is such that no conclusive statistics are available on the actual numbers of destitute persons who, because of lack of residence or settlement, cannot receive needed assistance, it is clear that those hardest hit by the existing State and Nation-wide situation include: (1) Persons who have valid reasons for having come to the State and whose own welfare and chances of return to self-support would perhaps be advanced by remaining; (2) persons who cannot meet Pennsylvania residence requirements but who have no settlement elsewhere; (3) persons who have settlement elsewhere but who, if returned, face serious privation due to lack of any adequate general assistance provision in their home State or community; and (4) transients who have no desire to remain in Pennsylvaia but who need public assistance and possibly other services to enable them to travel to a destination other than place of settlement in the expectation of employment or other means of support.

From a health standpoint, the Pennsylvania State Department of Health reports:

"While Pennsylvania has been more fortunate than some States with respect to the problem of interstate movement of transients who become or who are likely to become public charges, it has some very definite problems that must be considered.

"1. The transient population that moves into the oil fields of western Pennsylvania from time to time from the western States has always been a cause of worry to the department because of the possibility of carrying smallpox into the area from these States. There have been definite scares from this source in the past and there is a possibility of recurrence of this danger in the future.

"2. The transient population traveling with fairs, circuses, and camp shows is always a danger to the general public from the standpoint of communicable disease. These people are likely to become public charges if they take ill during their sojourn within the State. This type of wandering population is a definite menace from the standpoint of venereal disease, and occasionally as active cases of tuberculosis or carriers of organisms of the gastro-intestinal group.

"3. In the southern tier of counties we have a problem of transient labor moving into the State, especially Negroes from Baltimore, for the fruit-picking season. Sanitary conditions under which these laborers live are often extremely dangerous, plus the fact that if these people become ill while in this State they usually become public charges.

"4. With the increase in employment throughout this State, due to the marked increase in industry because of defense contracts, every care must be taken to prevent the importation of large groups of chronically ill laborers who may accept employment and then 'break down' under the stress of work and become public charges."

From an industrial standpoint, the Pennsylvania Department of Labor and Industry reports as follows:

"Migratory labor has not presented a major problem to the department of labor and industry. The strict application of the school code requiring compulsory attendance and the requirement that employment certificates be issued by the school authorities to children in conformity with the State child-labor law have made it very difficult to use children in industries employing migratory labor.

"In the southern part of the State there is a slight flow of labor over State lines in the fruit, berry picking, and canning seasons. However, the inspection bureau and the bureau of women and children of the department have strictly enforced the State's labor laws as they relate to women and children.

"The department of labor and industry has opposed the encouragement of migrant labor in the defense industries in Pennsylvania. Its position has been that it is first necessary to reemploy the State's own unemployed before giving jobs to residents of other States. The State employment service, which operates within the department of labor and industry, maintains the closest cooperation with the Federal authorities and is in close contact with employment services in other States. An effective control of labor contractors has been established both as to inter- and intra-state placements.

"The secretary of the department is of the opinion that the strict application of the labor laws and the school attendance laws has decreased and almost eliminated the migratory labor problem in Pennsylvania."

From an education standpoint, the secretary of the Pennsylvania Department of Public Instruction reports as follows:

"The problem of school attendance in connection with interstate migrant working families in Pennsylvania has not been so acute as might have been anticipated. This was found to be true, especially in connection with the electrification program of the Pennsylvania Railroad Co. and the construction of the Pennsylvania Turnpike. It appears that school districts rather willingly accepted the children in their schools, without serious objection with respect to the question of residence as related to tuition, presumably on account of the increased purchasing power coming to their immediate vicinities. The parents of these children likewise seemed to send them to school willingly, without enforcement of the penalties for nonattendance. We know that in certain counties these submarginal families received clothing through the cooperation of the local school district and the county superintendent's office.

"The question of employment of children of migrant families appears to have diminished throughout the years. This fact has been corroborated by the bureau of women and children of the State department of labor and industry, which assures us that the child labor law has been widely accepted. This has been augmented, of course, by the Federal Fair Labor Standards Act which has had a salutary effect in eliminating problems in connection with interstate commerce.

"The problems in Pennsylvania have existed largely in connection with the cranberry harvest in New Jersey and the canning industry along the Maryland border. These problems were quite acute, but during the past few years very few have been brought to the attention of the department. One of these along the Maryland border reported a year ago was cleared up through a visit by the county superintendent of schools."

II. RECOMMENDATIONS

Since the problem of interstate migration is of Nation-wide scope and since it is impossible for any State to deal effectively with the problem by itself, an approach to the solution of the problem must involve greater participation by the Federal Government in helping the States to initiate a program of care for nonresidents where no such program now exists, and to expand and improve such programs as are now in effect. Even if the great variety of settlement and residence laws pertaining to eligibility for public assistance were reduced to uniformity, participation by the Federal Government would still be necessary to equalize the burden.

The department of public assistance therefore recommends the enactment of a Federal program of grants-in-aid to the States for general assistance to all indigent persons, including nonsettled persons. Federal participation solely in the care of transients, as such, would be unsatisfactory and unworkable since this would tend to encourage migration by placing the transient in a more favored position in many States than the residents of these States themselves.

In any program of Federal grants-in-aid the following principles are essential:

1. Federal participation should be contingent upon the acceptance by the Federal authority of State plans which conform to minimum standards established by the Federal Government.

2. To be acceptable, a State plan for general assistance should not provide a residence requirement which exceeds 1 year's residence in the State prior to the application for assistance, regardless of the length of residence in any particular locality within the State. The degree of Federal participation for persons meeting the State residence requirement should be somewhat less than for those not meeting this requirement. A higher degree of Federal participation for the nonresident group would help to mitigate the reluctance of many local authorities to care for outsiders.

3. There should be provision for a single State agency to administer the plan or establish regulations and standards for local administrative units, such units to be supervised by the central agency.

4. Removals:

(*a*) Removal of persons to their place of settlement should be decided primarily in accordance with the best interests of the family or individual and the communities concerned. Where two State agencies are unable to agree on whether a family should be permitted to stay where it is, or to be removed to the place of settlement, provision should be made for appeal by the State agency to a Federal referee, whose decision would be binding on both States.

(*b*) A person residing in a State should be returned to a State in which he has settlement upon receipt of acknowledgment of settlement and authorization for return by the proper public-welfare official in the receiving State.

(*c*) Regardless of settlement status, it should be possible for a person to be sent to another State, provided he so desires, and authorization is received from the proper welfare official in the receiving State.

5. Minimum standards of relief and health care, including but not limited to medical aid in hospitals, clinics, and other institutions, should be established in the State plan, with Federal participation provided accordingly.

6. Registration with Federal or State employment services should be required of every employable person under care who has reached the legal age for employment.

7. A division of an appropriate Federal agency should be set up to study specific labor needs in various sections of the country and to disseminate information guiding would-be migrant workers. The publicity of such an agency should be both positive and negative, encouraging migration to areas of increased employment opportunities, as well as discouraging futile migration to parts of the country where it is known that employment opportunities are not available.

State Department of Public Assistance,
Charleston, W. Va., November 9, 1940.

Hon. John J. Tolan,
Chairman, Special Committee Investigating the
Interstate Migration of Destitute Citizens,
House of Representatives,
Washington, D. C.

My Dear Mr. Tolan: I am enclosing a brief report on problems of migration in our State. This report was prepared by our department at the request of Governor Holt, who referred your request for such information to our department and that of unemployment compensation. As you will see, the latter felt that they had experienced no particular problem in this respect.

West Virginia has no serious race problem now, and our industries are fairly stable. Our county departments tell us that the number of destitute migrants has decreased considerably even during the 4 years since the creation of this department.

If I or any of my department can be of any further help to you in this study, we shall be very glad to do so. I am sorry that we have been somewhat late in sending this report.

Very truly yours,

A. W. Garnett, *Director.*

STATEMENT OF WEST VIRGINIA DEPARTMENT OF PUBLIC ASSISTANCE

West Virginia has no widespread problem as to destitute migrants. Estimates based on this department's experience indicate that there is no concerted migratory movement either in or out of the State and that fluctuations in our relief case load result almost entirely from changes in business conditions and seasonal employment opportunities within the State and variations in eligibility requirements for the various kinds of relief.

Last month (July 1940) somewhat less than 1 percent of the general relief cases of the State were closed because the recipients had moved outside the State. Approximately this same proportion of the general relief case load for July represented families which had moved into West Virginia within the past 3 years. (Eligibility requirements for relief in West Virginia include 1 year's residence in the State.) For the classified assistance cases, the proportion for both was slightly under one-half of 1 percent.

Since our department, by the very nature of its residence requirements for eligibility, is not in touch with the families which have come into our State most recently, family welfare societies and various private and municipal welfare agencies were asked as to their experience.

Their reports seem to justify the following general conclusions:

A great many families are now moving into certain sections of West Virginia, notably the Kanawha Valley section (where are located the industrial plants of Carbide and Carbon and Du Pont and the United States Naval Ordnance

Plant) and the northern part of the State, where much industrial expansion is now in prospect (a new Du Pont plant is to be built in Morgantown, Monongalia County, near the Pennsylvania line). Very few of these families, however, are destitute and local charitable organizations estimate that only about one-fifth could be called borderline cases.

The largest number of destitute migrants come to the attention of the relief agencies in the southern counties. Many of these migrants are from Kentucky and welfare workers attribute the movement to the fact that Kentucky's assistance awards are smaller than those of West Virginia. A large percent of these people, however, return to Kentucky after realizing the necessity of waiting 1 year to establish residence in West Virginia before securing assistance in this State.

Although almost 50 percent of our Negro population has migrated from other States (principally Virginia, Alabama, and North Carolina), the rate of migration during the past decade is somewhat lower than during 1920–30 and there is no serious problem indicated.

It is the opinion of many welfare workers that almost half of the destitute families coming into West Virginia are those who had lived here prior to 1920–30 (during which West Virginia lost 100,941 of her native white population). During this period the good wages of industries in Ohio, Pennsylvania, and other neighboring States attracted all classes of persons and many of them have returned to West Virginia during the past several years. An example of this is furnished in the case of persons, notably from our northern counties, who found employment for several years in the tire factories of Ohio and who were cut off and returned to the rural sections of West Virginia during the depression.

Department of Unemployment Compensation,
West Virginia State Employment Service,
Charleston, October 10, 1940.

It is not felt that the employment service can offer any factual data significant to the problem of interstate migration of destitute persons. The service does not take registrations nor make referrals to jobs on the basis of need, hence it keeps no records which would provide information pertinent to the problem. Therefore, it is deemed more practical to let the report of the department of public assistance constitute the State's reply to Representative Tolan's request.

It might be added that while we have recently observed a fairly considerable migration of highly skilled workers from the State to manufacturing centers further east, there has been no noticeable movement of destitute persons to or from the State.

The Chairman. We will now hear the testimony of an unemployed Negro tailor from South Carolina.

TESTIMONY OF EDWARD ROBINSON, WASHINGTON, D. C.

Mr. Sparkman. State your name and address.

Mr. Robinson. Edward Robinson, 222 K Street N. W., apartment 3.

Mr. Sparkman. How old are you?

Mr. Robinson. Fifty-four years of age.

Mr. Sparkman. Are you married?

Mr. Robinson. I am.

Mr. Sparkman. Do you have any children?

Mr. Robinson. Nine.

Mr. Sparkman. How old is the oldest child?

Mr. Robinson. Seventeen years old.

Mr. Sparkman. And the youngest?

Mr. Robinson. Two months.

Mr. Sparkman. How long have you been here in Washington?

Mr. Robinson. Since July 2, 1939.

Mr. Sparkman. When did your family come?

Mr. Robinson. They came here on Armistice Day, in November 1939.

Mr. Sparkman. Where did you come from?

Mr. Robinson. From Swansea, S. C.

Mr. Sparkman. Do you have any profession?

Mr. Robinson. I am a tailor by trade.

Mr. Sparkman. You did tailoring work in South Carolina?

Mr. Robinson. Yes, sir.

Mr. Sparkman. Did you own your own shop there?

Mr. Robinson. At one time I did.

Mr. Sparkman. Have you done any tailoring here?

Mr. Robinson. I have been doing little jobs. I have not been able to obtain regular work.

Mr. Sparkman. You have been picking up jobs wherever and whenever you could find them?

Mr. Robinson. Yes; I am age-handicapped.

Mr. Sparkman. Have you ever applied for public or private relief here?

Mr. Robinson. Indeed, I have.

Mr. Sparkman. Have you ever gotten it?

Mr. Robinson. A few emergency orders.

Mr. Sparkman. Now, if you went back to South Carolina, you would be eligible for W. P. A. relief there, would you not?

Mr. Robinson. I do not know. I cannot say whether I would be, or not.

Mr. Sparkman. Is there any reason why you could not be employed on a W. P. A. project?

Mr. Robinson. Of course, you see, I have been on this sort of job since 1911. I have been running a shop.

Mr. Sparkman. Operating since 1911?

Mr. Robinson. Yes, sir. They have no place for such as me in the work they have. As you know, a man who has been working at a trade as long as I have, has nothing offered that he can do except stump digging or road building. As you see, I would not be eligible for those jobs.

Mr. Sparkman. Had you been in Washington before?

Mr. Robinson. Yes, sir.

Mr. Sparkman. When?

Mr. Robinson. In 1929 and 1930.

Mr. Sparkman. How did you happen to come up here then?

Mr. Robinson. I came up here——

Mr. Sparkman (interposing). Looking for work?

Mr. Robinson. Yes, sir.

Mr. Sparkman. Did you find it?

Mr. Robinson. Yes, sir.

Mr. Sparkman. How did you come to go back to South Carolina?

Mr. Robinson. The family was there.

Mr. Sparkman. You decided to come up here for work, and then decided to go back there?

Mr. Robinson. Yes, sir.

Mr. Sparkman. Did you try to find work anywhere else in South Carolina?

Mr. Robinson. Yes, sir.

Mr. Sparkman. Where?

Mr. Robinson. I tried in other places. I stayed over at Columbia for 2 days before I came here.

Mr. Sparkman. And you were not able to find anything to do there?

Mr. Robinson. No, sir.

Mr. Sparkman. Do you think there is a better chance for you to get permanently settled in Washington than there is in Swansea, S. C.?

Mr. Robinson. It seems to me there would be.

Mr. Sparkman. You are hopeful of making some connection here?

Mr. Robinson. Yes, sir; I came here to establish residence.

Mr. Sparkman. You came here for the purpose of establishing residence?

Mr. Robinson. Yes, sir; that is my purpose.

Mr. Sparkman. You are still hopeful of finding something to do?

Mr. Robinson. Yes, sir.

Mr. Sparkman. You say your oldest child is 17 years of age?

Mr. Robinson. Eighteen last December.

Mr. Sparkman. Is the oldest a boy or girl?

Mr. Robinson. A boy.

Mr. Sparkman. Is he doing any work?

Mr. Robinson. He is doing a little work, such as he can do.

Mr. Sparkman. What does he do?

Mr. Robinson. He has been working in shoe-shine parlors sometimes, and he is working this week in a grocery store.

Mr. Sparkman. Does he go to school?

Mr. Robinson. Yes, sir. He goes at night?

Mr. Sparkman. Are the other children in school?

Mr. Robinson. Yes, sir; except one.

Mr. Sparkman. Are all of the members of the family in good health?

Mr. Robinson. They are fairly well. My wife has been sick about 6 months since she has been here. She was unable to do anything.

Mr. Sparkman. What kind of place do you live in here?

Mr. Robinson. We first lived in a basement. I lived in a basement, but it did not seem to be healthy, and I rented a top-floor apartment.

Mr. Sparkman. You went from the bottom to the top?

Mr. Robinson. Yes, sir. I lived there awhile. There were no conveniences while I lived there. Now I am in an apartment where there is heat and hot water.

Mr. Sparkman. What is the size of the apartment?

Mr. Robinson. Three rooms.

Mr. Sparkman. Does all of your family live there together?

Mr. Robinson. That is their home.

Mr. Sparkman. The children are still at home?

Mr. Robinson. Yes, sir.

Mr. Sparkman. You have definitely made up your mind to remain in Washington?

Mr. Robinson. Yes, sir.

Mr. Sparkman. Have you thought of going anywhere else?

Mr. Robinson. No, sir.

Mr. Sparkman. In other words, you have been a migrant, but do not want to be a migrant any longer?

Mr. Robinson. That is right.

The Chairman. What sort of basement did your family live in?

Mr. Robinson. It was not very much.

The Chairman. How large was it?

Mr. Robinson. Three rooms.

The Chairman. How were you able to put all of your people in those accommodations?

Mr. Robinson. We did the best we could. Of course, we had three rooms and a bath. It was cold, and we did not have much heat.

The Chairman. Did you have plenty to eat all the time?

Mr. Robinson. Part of the time it is pretty fair, but sometimes we are a little short. It is so now.

The Chairman. Do you have your own furniture?

Mr. Robinson. Yes, sir.

The Chairman. How many beds do you have?

Mr. Robinson. We have three and a cot.

The Chairman. How much rent do you have to pay for your apartment?

Mr. Robinson. Twenty-five dollars and fifty cents.

The Chairman. What did you pay for the basement?

Mr. Robinson. Sixteen dollars.

The Chairman. Are you fairly comfortable now?

Mr. Robinson. Yes, sir; we are finding it pretty comfortable, but we would like to have larger quarters. However, we have to do the best we can until we get something better. I am a little distressed in a way, I might say. We are short of funds, and I owe rent now.

The Chairman. You are sticking it out, and will stay there?

Mr. Robinson. We will try to stay if possible.

The Chairman. Did you receive any help from the Salvation Army or the Travelers Aid?

Mr. Robinson. No, sir.

The Chairman. Did you ever apply to them for aid?

Mr. Robinson. Once I applied to the Community Chest, and they shot me to public assistance. That was the first of this year. In March they pushed me over to the place at Sixth and A Street, to the Travelers Aid. I asked the Travelers Aid for help, and they helped me four times. I was helped four times, and they turned me loose. In fact, I tried to get my social security, but was turned down there. I had worked for a man at Swansea for 5 or 6 months, and he collected social security; so thinking I had social security to fall back on, I asked for it. I wrote to the Columbia people at Fifth and K, or the labor place, to forward the letter to them. Of course, they never could get anything. They only said I was not eligible.

The CHAIRMAN. Why was that?

Mr. ROBINSON. I have never learned why.

The CHAIRMAN. Did they explain why you were not eligible, or was it on account of residence?

Mr. ROBINSON. They collected social security at that time.

The CHAIRMAN. In other words, you paid in, but did not take anything out?

Mr. ROBINSON. Yes, sir.

The CHAIRMAN. Did you get anything out of it?

Mr. ROBINSON. They said there was nothing for me.

The CHAIRMAN. How much did you pay?

Mr. ROBINSON. Well, I paid in 2 cents on the dollar.

The CHAIRMAN. For what period of time?

Mr. ROBINSON. It run between 5 and 6 months, I know, because I know when I went there and when I came away, on the 1st of May.

The CHAIRMAN. They simply told you that you were not eligible?

Mr. ROBINSON. That I was not eligible. They said that a man that wasn't under that limit didn't get under the law; he didn't hire enough help to cover the law. But I would like to know as to why he didn't, and collect the money. I never have been able to find out.

Mr. SPARKMAN. Edward, you realize that under the Social Security Act there are several different parts and several different types. The chances are that what you paid in went toward the old-age payment fund and not toward unemployment. What you were trying to collect was unemployment, and your amount was not covered by the unemployment, probably, and what you were paying in was for the old-age fund rather than for the unemployment.

Mr. ROBINSON. Well, I didn't understand it that way.

Mr. SPARKMAN. My guess is that that is what happened.

The CHAIRMAN. Thank you very much, Mr. Robinson.

Mr. McKenney.

TESTIMONY OF CLARENCE McKENNEY, WASHINGTON, D. C.

The CHAIRMAN. Mr. McKenney, will you please state your full name and address?

Mr. McKENNEY. Clarence McKenney, 518 Thirteenth Street NE.

The CHAIRMAN. Where were you born, Mr. McKenney?

Mr. McKENNEY. Westmoreland, Va.

The CHAIRMAN. And how old are you?

Mr. McKENNEY. Thirty-eight.

The CHAIRMAN. How much education have you had?

Mr. McKENNEY. Seventh grade.

The CHAIRMAN. Are you married?

Mr. McKENNEY. No, sir.

The CHAIRMAN. Is this the first time you have ever been in Washington?

Mr. McKENNEY. No, I have been here several different times.

The CHAIRMAN. Since what year?

Mr. McKenney. Well, off and on since 1921.

The Chairman. Do you have any relatives here?

Mr. McKenney. All my people are here.

The Chairman. What do they consist of, a father and mother?

Mr. McKenney. Father and mother, sisters, and brothers.

The Chairman. What does your father do?

Mr. McKenney. Nothing.

The Chairman. Is he on relief?

Mr. McKenney. No, sir; he is too old to work. He just stays at home and my sisters take care of him.

The Chairman. When did you come to Washington the last time?

Mr. McKenney. In March.

The Chairman. Last March?

Mr. McKenney. Yes, sir.

The Chairman. What do you consider your legal residence; the District of Columbia or the State of Virginia?

Mr. McKenney. The State of Virginia.

The Chairman. Have you ever applied for public assistance?

Mr. McKenney. I applied for a W. P. A. job.

The Chairman. How did you come out?

Mr. McKenney. No residence. I didn't get it—I mean, not a resident of this town.

The Chairman. Since coming here have you had any employment?

Mr. McKenney. I get 2 or 3 days some weeks, and some weeks 1 day.

The Chairman. You are a lather now, are you not?

Mr. McKenney. Yes, sir.

The Chairman. Congressman Sparkman would like to have you explain what a lather is.

Mr. McKenney. You just nail laths on the walls for the plaster. that is about all I can tell you.

The Chairman. From your record it would seem that you came from Virginia, and got some work for a time, and then became discouraged and went back south; is that correct?

Mr. McKenney. Yes, sir.

The Chairman. How did your father make a living?

Mr. McKenney. He used to work on the road, just like I did—fishing, crabbing, and oystering, which is all we do in that section where I came from.

The Chairman. You have always followed that line of work?

Mr. McKenney. Yes, sir. That is all I know.

The Chairman. Why didn't you continue that line of work?

Mr. McKenney. It just got so rotten we couldn't make a living.

The Chairman. How is that? Don't they do as much of that work now as they used to?

Mr. McKenney. They are doing just as much work, but it got so tough to make a living, and for the last 2 or 3 years the fishers couldn't hire anybody.

The Chairman. Is that on account of shortage of fish?

Mr. McKenney. Yes, sir.

The Chairman. They were not biting?

Mr. McKenney. No, sir; we catch them in nets, you know.

The CHAIRMAN. Is Westmoreland County, Va., mainly an agricultural district?

Mr. McKENNEY. It is about 50–50, I guess, sea food and agriculture.

The CHAIRMAN. There are canneries there, are there not?

Mr. McKENNEY. Yes, sir.

The CHAIRMAN. Did you ever try to find work at any of them?

Mr. McKENNEY. Yes, sir. I have worked for lots of them, but that only lasts about a month and a half, or something like that, and then it is all off.

The CHAIRMAN. What wages did you receive?

Mr. McKENNEY. The last I worked in, I received $3 a day for 10 hours' work.

The CHAIRMAN. You could not find anything permanent there, could you?

Mr. McKENNEY. No, sir.

The CHAIRMAN. How far are you from Richmond?

Mr. McKENNEY. About 60 miles.

The CHAIRMAN. Did you ever try to find work there?

Mr. McKENNEY. No, sir.

The CHAIRMAN. You were 17 when you left Virginia the first time, were you not—17 years old?

Mr. McKENNEY. I guess I must have been something about like that. I know it has been a long time.

The CHAIRMAN. Did you ever get any work there, at Richmond?

Mr. McKENNEY. No, sir; I never went over into Richmond for work in my life.

The CHAIRMAN. Did you go back to Virginia and go to work on the water?

Mr. McKENNEY. Yes, sir.

The CHAIRMAN. Where?

Mr. McKENNEY. Down the lower Potomac and Chesapeake Bay.

The CHAIRMAN. What year was that?

Mr. McKENNEY. Oh, it has been off and on practically all my life.

The CHAIRMAN. You were in business there with your father, were you?

Mr. McKENNEY. Yes, sir; that is, when I started.

The CHAIRMAN. How old is your father?

Mr. McKENNEY. He is 67.

The CHAIRMAN. Did he make any money there?

Mr. McKENNEY. He would make a living; that is all he ever made—not so much.

The CHAIRMAN. At one time you owned two boats together, did you not?

Mr. McKENNEY. Yes, sir.

The CHAIRMAN. What did you do after that?

Mr. McKENNEY. Well—what year was that?

The CHAIRMAN. This was when you and your father owned the two boats.

Mr. McKENNEY. I am 38 years old, and I left home when I was 17.

The CHAIRMAN. Did you ever work in Philadelphia?

Mr. McKenney. Yes, sir.

The Chairman. What did you do there?

Mr. McKenney. I was in an automobile factory.

The Chairman. How long did you work in the automobile factory?

Mr. McKenney. From 1926 until some time in 1928 or 1929; I am not sure.

The Chairman. How much did you get?

Mr. McKenney. Six, seven, and eight dollars a day; piece-work, you know.

The Chairman. Why did you quit?

Mr. McKenney. I didn't quit. They laid us all off.

The Chairman. Besides being a lather, you are also a sailor, are you not?

Mr. McKenney. Yes, sir.

The Chairman. Where did you sail?

Mr. McKenney. From here to Newport News, to Norfolk, and from home to Baltimore.

The Chairman. Why didn't you stay at that?

Mr. McKenney. It didn't pay any money.

The Chairman. Can you think of anything in your home vicinity that would give you a living?

Mr. McKenney. No, sir.

The Chairman. Will you go back there this winter?

Mr. McKenney. I don't think so; at least we haven't any home to go to any more.

The Chairman. Do you find many people from your home district coming to Washington?

Mr. McKenney. Everyone, pretty near, sir, that is 16 years of age; practically all of them, girls and boys.

The Chairman. Girls and boys, from 16 years of age, practically all of them, are coming to Washington?

Mr. McKenney. From around my section; yes, sir.

The Chairman. What starts it?

Mr. McKenney. Well, there is nothing there for them. There are no amusements; you have to drive 25 miles to see a movie; and the young people, as soon as they get through school, they are gone.

The Chairman. Are they living on farms?

Mr. McKenney. Most of them; yes, sir.

The Chairman. Can they make a good living on the farms there?

Mr. McKenney. Not hardly; not on the farms they have down there. You see, they haven't got any great big farms; they are small farms, and they just make a living; that is about all you can say. Two-thirds of them haven't even got a car.

The Chairman. But as soon as they are old enough, and out of school, they strike for Washington?

Mr. McKenney. Yes, sir.

The Chairman. Are you doing anything here now—working?

Mr. McKenney. I haven't this week. I got 3 days last week.

The Chairman. What did you do?

Mr. McKenney. Lathing.

The Chairman. Where are you living?

Mr. McKenney. I am living with my brother-in-law.

The CHAIRMAN. Have you applied to any agencies here for relief?

Mr. MCKENNEY. No, sir.

The CHAIRMAN. You have never been on relief, have you?

Mr. MCKENNEY. No, sir.

The CHAIRMAN. Do you find in your home vicinity there in Virginia that machinery has displaced a lot of people from work?

Mr. MCKENNEY. Yes, sir.

The CHAIRMAN. What kind of machinery?

Mr. MCKENNEY. Well, it used to take about 16 men to pull a haul seine, in fishing; now they have an engine to do it. Then in threshing one man will do what it used to take 10 or 12 men to do.

The CHAIRMAN. You find that one of the chief causes of unemployment in your home district?

Mr. MCKENNEY. Plenty of it; yes, sir.

The CHAIRMAN. Are you registered here in the District Employment Service?

Mr. MCKENNEY. Yes, sir.

The CHAIRMAN. So I take it from your testimony that you intend to stay here in Washington?

Mr. MCKENNEY. Yes, sir.

The CHAIRMAN. You figure that you have got just as good chance here as you would have at your home or any other place?

Mr. MCKENNEY. Yes, sir. I think I have got a better chance, because there may be something come up some day down here and there certainly ain't anything coming up down there.

Mr. SPARKMAN. Mr. McKenney, have you made any inquiry of the Civil Service Commission as to whether or not you might fit into some of the building-trades jobs in the defense program?

Mr. MCKENNEY. No, sir.

Mr. SPARKMAN. I do not know about your particular line of work, but I do know that they have been trying very hard to get people who did have experience in the building trades, as well as other skilled trades. I would suggest that you make inquiry there.

The CHAIRMAN. Thank you very much, Mr. McKenney.

PANEL TESTIMONY OF MRS. JOHN J. O'CONNOR, CHAIRMAN, TRANSIENT COMMITTEE, COUNCIL OF SOCIAL AGENCIES; MRS. FRANK A. LINZEL, CHAIRMAN, FAMILY WELFARE DIVISION, COUNCIL OF SOCIAL AGENCIES; MISS ALICE ELIZABETH JONES, EXECUTIVE SECRETARY, WASHINGTON TRAVELERS' AID SOCIETY; MAJ. CHARLES H. DODD, DIVISIONAL COMMANDER OF THE SALVATION ARMY; AND CHARLES H. HOUSTON, ASSOCIATE COUNSEL, NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

The CHAIRMAN. Mrs. O'Connor, Mrs. Linzel, Miss Jones, Major Dodd, Mr. Houston.

(The witnesses referred to appeared before the committee.)

Mr. CURTIS. I want to say to this group that I have read the statement that each of you has submitted. Incidentally, I want to say that I think a great deal of the groups that you represent. We held hearings throughout many parts of the United States, and mention of the work of these social agencies that you represent appears often in our testimony. We know that you are doing very many worth-while things, and we know, too, that you are able to furnish very valuable information.

For the purpose of the record I am going to have each of your identify himself.

Mrs. O'Connor, will you give your full name and your address and what organization it is that you represent here?

Mrs. O'CONNOR. I am Mrs. John J. O'Connor. I represent the Council of Social Agencies, as chairman of the transient committee. I live at the Shoreham in Washington.

Mrs. LINZEL. I am Mrs. Frank A. Linzel, chairman of the family welfare division of the Council of Social Agencies. I also am a resident of Washington, D. C.

Mr. CURTIS. And Miss Jones?

Miss JONES. I am Miss Alice Elizabeth Jones, executive secretary, Washington Travelers Aid Society.

Mr. CURTIS. And your residence is Washington?

Miss JONES. Yes, sir.

Mr. CURTIS. And Major Dodd?

Major DODD. Maj. Charles Dodd, divisional commander of the Salvation Army, Washington, D. C.

Mr. CURTIS. Is Mr. Houston here yet?

Mr. HOUSTON. Yes, sir.

Mr. CURTIS. Mr. Houston, we have just started a discussion with this group, and I have had every one of them give their full names and addresses and what organization they represent. We would appreciate it if you would do the same thing.

Mr. HOUSTON. My name is Charles H. Houston. My address is 615 F Street NW., Washington, D. C., and I am on the national legal committee of the National Association for the Advancement of Colored People.

Mr. CURTIS. Now, as I have told you, I have read the prepared statements that have been handed to us by each one of you, and I have a few questions in mind that I am going to direct to you individually concerning your statements. But I have three or four things that I want to ask you about before we go into that individual questioning, and I want all of you to feel free to speak up and give your opinions.

CAUSES

First, I am confining our discussion to the family migrant. I would like to have you people tell this committee what you think is the basic cause or causes of families becoming migrants and just getting out and moving.

Mrs. O'CONNOR. May I suggest that Miss Jones, who deals with the migrant family and is in charge of that work in the Travelers Aid Society, answer that question?

Mr. CURTIS. We will be glad to have her answer it.

Miss JONES. I think it is very difficult to say what is the fundamental cause. It seems to me there are a great many causes and, considering the cases on an individual basis, as we do in our agency, I think we are apt to find almost as many causes as we do people coming to us.

Of course, obviously, there are certain general factors which are extremely important. I think one of them is the desire to better themselves by finding better opportunities, possibly, than are available in their local area. And it has always been, I think, more or less characteristic of the people of this country to move from one place to another in an effort to improve their conditions.

Likewise, I think, a factor is the inadequate resources for the residents of many communities and the care for residents, which forces people many times to go elsewhere. It is not so much that they want to leave the security of their home community, but they are forced to do so by inadequate care of all sorts.

Mr. Curtis. For example, you will find at a given time, perhaps, a Baltimore family stranded in Philadelphia, and on that same day a Philadelphia family stranded in Baltimore. Both have gone for the identical purpose. You will also find, in a given area, certain hardships coming to a group—the closing of a mine or something like that—and three families remain and one starts to move. What do you think about that, Miss Jones?

Miss Jones. Well, I think that may go back to many personal factors in those individual situations. There are many people that have some unsatisfactory family relationships, and there are other factors which I think of in terms of personal, individual factors, which may be a cause for their moving.

Mr. Curtis. Major Dodd, what do you have to say about this general proposition that I have discussed with Miss Jones?

Major Dodd. Due to the fact that in the District of Columbia we have no responsibility—of course you understand that in Washington the social services of the community, through the Council of Social Agencies, are planned, and those agencies that are best fitted to handle the particular problems of the related fields handle them. In this instance it has been the Travelers Aid, and consequently the Salvation Army has no budgetary provision or any assignment of responsibility in the community, and we do not enter into that field. My personal viewpoint on it——

Mr. Curtis. That is what I want.

Major Dodd. Is very much as Miss Jones has described to us. We have varying levels of relief, and some communities are, to some degree, adequately taking care of that. I think our own situation here might very properly add something to the whole transient problem. The relief payment ceiling of $48, high rents, the high cost of living in Washington, that regardless of the size of the family there must be a ceiling of $48—immediately, if the family has an opportunity, or hears of a chance to improve their status, that family may move. I think that very largely the country has been developed because moving and transiency has been a part of our history. It is the desire of the people to improve their status that impels them to be continually on the move.

Mr. Curtis. Mrs. O'Connor, what do you think about this general subject?

Mrs. O'Connor. I think, as has been expressed, that the individuality itself is the prime reason. I believe that there are two groups that can be considered in the family migrant problem: First, perhaps, there are those people who are more or less chronic wanderers, who go from place to place, unable to get what they want, and still going on, feeling that over the hill, perhaps, is the very pleasantest place. On the other hand, I do think it is truly an expression of what we might call the American people's right to find work, to find a place, to find security, to find wages, to find education in some place, and particularly the family that has children.

We find, of course, people coming in here from other cities; and I remember that at the time of the survey made by the transient committee we had about 2,000 or more in Washington on that special day, and there were 1,700 and some Washingtonians elsewhere. In other words, I think the American spirit is to get on the way and find an opportunity, and some of them never get settled.

I think the point has been well made today by one of the council workers that the time is coming, because of the seasonal work and because of defense operations, when we will have to deal in larger degree with families that have no definite settlement, or who have no legal settlement.

Mr. CURTIS. Now, Mrs. O'Connor, with regard to these families who start out to better themselves, do you think that for the most part they do so, or do their difficulties increase when they get away from home?

Mrs. O'CONNOR. Oh, I think that by and large, Mr. Congressman, the thousands of people who go out on the road to seek better employment, better education, better health, find it. I think we get a very small percentage——

Mr. CURTIS (interposing). My question applies to the destitute people.

Mrs. O'CONNOR. The destitute; yes.

Mr. CURTIS. People who have just reached their last ounce of resources of their own, and they start out. Now, in your opinion, do those people, as a class, better themselves, or are they worse off?

Mrs. O'CONNOR. No; I think—I am not sure that one could make a general statement, and I would like to hear Miss Jones speak on this—but from the little observation I have had in studying the case records I should think that a large part of them start out—we call them destitute when they get here, but they start out with a perfectly good plan in mind, and on the way, perhaps, that plan has failed, and they are destitute when they get here. But I honestly feel that there are many self-reliant people who leave the bread lines at home because they believe that they can get off the bread lines here, or get a fairly secure job elsewhere, and they get lost, perhaps, here in Washington. I think that is equally true of other cities. I shall be interested to read the committee's findings on this matter. But, although many of these people are chronic wanderers, I have great confidence in the ability of the average fine American family to start out, even though they have not quite the wherewithal to make their goal, but who feel that somehow they may make it.

Mr. Curtis. Mrs. Linzel, what do you think about it? Do you think that destitute families better themselves by starting out and getting on the move?

Mrs. Linzel. Well, by and large, I think, with Mrs. O'Connor, that it is very difficult to answer that question yes or no. It would seem, from most of the information that we have, that the general reply to that would be "No," because of the difficulty with the various settlement laws, because they lose their citizenship and their right to relief by going from one place to another. They hear these rumors of a national-defense program, and they feel that because this is their Nation's Capital, and here is their Congressman, they can come here for relief. They cannot understand, when they get here, that we do not have the facilities for looking after them—which, of course, comes right back to our community. So, on the whole, it would, of course, seem as though they do not better themselves under existing conditions.

Mr. Curtis. Mr. Houston, you did not file a written statement, but I want to ask you this question: Among your colored people, when they are destitute and start out to leave, do they better themselves, or are their troubles increased?

Mr. Houston. I will have to answer that in several ways. To answer the first question, about the migration of family units, I think, on the whole, the migration of Negroes has been more on an individual basis. Where families have moved, it is because someone has preceded them and gotten a stake in a northern community, because most of that migration is from the South to the North. Where you have family units, I think they fall in the class of migratory workers or families that have had some particular crisis which caused them to pull up stakes and move, regardless of consequences.

I think that, as to migratory workers, the further north you go the better off the Negro is from the standpoint of living. So, I think, generally, the Negro betters himself.

But that, of course, is a general statement, subject to all the qualifications that a general statement carries.

Mrs. O'Connor. At the time you asked the question I did not get the emphasis on destitute. I do not think any social agency, when it is considering this problem, would ever advise people starting with no funds, no plan, or no security, even though it may seem that they have nothing at home. I think they must have some funds and some plan. I think just going out into the open is not very successful, although I do not blame them, frequently. Often they do it because it is their last resort, and their self-respect and self-reliance is challenged, and they meet that challenge in that way.

Mr. Curtis. Major Dodd, assuming that a family has been located in a given community over a period of years, that they have certain community ties, church ties, and family reputation, does the breaking up of all of those ties and becoming a wandering family have an inevitable effect on these people?

Major Dodd. Again, Mr. Congressman, I must make this purely personal observation, because we have had no particular experience in dealing with that group in Washington. But it seems to me to be obvious, in the case of a family which leaves a community where they have friends, where some of their children may have gone to school, where they have a work record and church affiliations, that especially if there is a subsequent passing on of that family to another community, with each move their circumstances become increasingly bad. I do not know how it is possible for such a family to go through such an experience as that without suffering very seriously, physically, mentally, and in every other way.

SETTLEMENT LAWS

Mr. Curtis. In that connection, in regard to settlement laws, a great deal has been said about eliminating some of their provisions and making them uniform. But it seems to me we must all be agreed as to this: That if a family stays in a given community for many, many years, and they have their attachments there, and have carried their responsibilities there, it does seem rather unfortunate that in a few short months, through errors of judgment in thinking they could better themselves some place else, they should lose that legal residence and not attain one elsewhere.

Do you agree with that, Major Dodd?

Major Dodd. I do, very much, and I think still further that the policy of some jurisdictions in declaring a person not a resident of that community because they may have declared an intention of going to another community and then found they could not carry through their plan is unfortunate. They intended to move elsewhere, but were unable to carry through such a plan, so they return to their own State or community and find that because of a declaration of intention they have lost their status in that community. It seems to me when we talk about democratic processes, we are doing a great deal to tear them down in an instance of that kind, by such treatment. That is true where they may, with the best intention, be leaving a community to better themselves, and then have to return and find that everything they consider dear has gone in the meantime. I think that is a bad situation.

Mr. Curtis. Mrs. Linzel, I believe you have worked with the Washington Council of Social Agencies on this migrant problem. Do you have any comment to make on the question I asked Major Dodd about the breaking of all these home ties, community ties, and church ties where a destitute family starts out? In your observation, are many of those people subjected to those same forces that cause people to take to the road?

Mrs. Linzel. We find it very difficult to contact them, because they are loathe to identify themselves again. We take our program to them, but it is very difficult to assimilate them into the church group. They seem to have lost touch and lost their spirit. It is difficult to tie them up again.

Our women this year are making a very definite study of migration problems in the local mission work, but in that connection it is rather difficult to make progress. There is an organization of women under Miss Lowry, who, I think, was a witness who appeared before you in New York, and we participate in that type of work. But it is very difficult to assimilate those people again.

Mr. CURTIS. What I am trying to get is an answer to this question—if you will permit me to say so, I am very deeply interested in this matter of the migration of destitute people, thousands and millions of people, who have no homes, but are out hunting jobs, with the number increasing every year—as to whether or not that is a good thing, and are those people bettering themselves? The moment they become transients, are they losing something, and is the country at large losing something?

Mrs. LINZEL. Yes; I should say. It seems to me they are losing something, and at the same time something is being lost in our whole democratic process. They go from place to place and they have lost their security completely. In that case, a family is not bettering itself. That would be my observation.

Mr. CURTIS. In that connection, Mrs. Linzel, what forces, or what influences stabilize such a population? What will prevent a Baltimore family, for instance, going to Philadelphia, getting into as much difficulty as a Philadelphia family going to Baltimore?

Mrs. LINZEL. Perhaps employment is the first thing the man seeks, and if he could get that employment in his own community he would not move.

Mr. CURTIS. Will the moving better his chances of employment?

Mrs. LINZEL. Offhand, I should say no, if you are speaking of the destitute person, unless, as Mr. Houston said, someone has gone before him to make him feel more secure. We have found that sometimes people coming from the South may get security and work, or they may get some temporary employment.

Mr. HOUSTON. I want to call attention to the last question you asked and say, yes, that is true. Where you have a dislocation of the family, after the family has had its home in a community for a large number of years, you have the attending problems of crime, and so forth, which would increase much more than where you have only temporarily lost community control.

But there are two factors to be considered. One of them is this: We talk about the family which moves as a unit, and there are many instances where they have no choice. We do not have as much of that in the East as there is in the Mississippi Valley, but you do have it in the South. That is one thing you must take into consideration.

The second thing is this. The Negro church has a large influence, which is perhaps more striking than in the white church. The Negro church is the only organization the Negroes had prior to the Civil War. After the Civil War, when you had such a tremendous dislocation, the Negro church was the one factor to which Negroes gravitated. It was there that they had physical relief, companionship, and social aid, and they were in many senses employment centers. Many of our people are so destitute that they go to the churches, which serve not only to give them religious consolation, but they have put social work into each of these communities, and in many cases have actually given shelter and food to these people.

So you have these two factors operating at the same time. I cannot give you a final answer, but I do want to call attention to those forces.

Mr. CURTIS. Do the rest of you folks have any comment to make?

Miss JONES. Employment has been mentioned, and I think employment is extremely important; but it seems to me that not only is employment one factor, but other adequate resources must be developed in the community.

We have had any number of cases come to our attention where a person has felt forced to leave his home community because of the lack of medical care, perhaps of a specialized type.

Mr. CURTIS. From what areas do those people come?

Miss JONES. Principally from the small southern communities.

Mr. CURTIS. Do you mean there is no local doctor there?

Miss JONES. Yes; and they may be requiring hospital treatment of a prolonged nature, or some special type of surgery, which probably is not available in that county area. Very frequently there is no adequate State project for that sort of thing.

I know of two situations recently among the colored group where they have come to Washington because Freedmen's Hospital is practically the only resource in this section of the United States that can offer the type of medical care indicated.

So I think employment is extremely important, but I also think it must be a complete program, as far as concerns housing, recreation, medical care, psychiatric care, and all the things necessary to meet the needs of individuals to prevent their destitution.

Mr. CURTIS. You deal primarily with these people, Miss Jones, after they have left their homes?

Miss JONES. Yes; nonresidents coming to Washington.

Mr. CURTIS. Suppose a family wanted to get in consultation with you, and they wanted to know what to do, but had no friends and no funds, with skilled laborers in the family, but with no work and none in sight. But they can get together and get a few gallons of gasoline for their old car, and they want to know whether to start out in order to better themselves. What do you tell them in a case of that kind?

Miss JONES. As I said in the beginning, I think that goes back to the individual situation. I think it is rather dangerous to generalize with a remark of that kind. By and large I think it would be inadvisable for them to leave——

Mr. CURTIS. Assuming that there are some small children, or perhaps some babies.

Miss JONES. I think it would depend on how well we had our plan worked out, if it were possible for them to get employment, whether they had any definite, or even probable job in view, whether they had any relatives or resources in the community to which they were going, and what resources they had in the place they were leaving.

Mr. CURTIS. Assuming that they had no destination and no relatives.

Miss JONES. Well, I think it would be probably rather poor planning to start out with nothing at all. There are no work projects, and they are feeling sufficiently desperate so that they feel forced to leave.

But if some information about available job opportunities in the country could be made available to that group, possibly through the United States Employment Service, so that when they are starting out it would not be a matter of aimless wandering, but they might have some more definite plan in mind, and that would be a different proposition.

Mr. CURTIS. As I said when this group took their places, I have great respect for the work they are doing. That work is fine, and growing, for the victims of this problem.

Mr. HOUSTON. May I ask a question in reference to the matter you were talking to Miss Jones about?

Mr. CURTIS. Yes.

Mr. HOUSTON. I think the Congressman has left out a factor there. He asked Miss Jones about the situations they would be facing; he did not ask about conditions they would meet if they should stay in the same community. I think that question would be better put to give a better basis on which to advise a family. In other words, what is the situation of a unit which has lost its stake, because I take it that is the question you refer to. In other words, conditions may be so bad in that community that almost any change is a change for the better. I call that to your attention, because I think it is very important as to whether to advise them to take to the road.

Mr. CURTIS. Do you have anything further to say about that, Miss Jones?

Miss JONES. No; I think that point is extremely well taken. It depends on the resources, where they are going, and what may be the greater hazard, to remain where they are, or to go on elsewhere, with the probability of no assistance.

Mr. CURTIS. These factors have been there, that cause people to take to the road, and they affect the rest of the people back home who do not take to the road, do they not?

Mr. HOUSTON. Yes.

Mr. CURTIS. As I started to say a moment ago, I think you are doing splendid work in caring for the victims of this problem. But I hope that an increasing number of people and organizations will give some attention to the positive factors in their communities that stabilize population, because when we make a Government expenditure and create a program to take care of that fraction of the people who have left a community we still have not reached his neighbors back home, suffering from the same thing.

Mr. HOUSTON. May I say this? I think today, when we talk about stabilizing conditions, that, above all, the question of education cannot be neglected, because people stay in their localities, provided they have the means to live. People move because they are desperate. I think, as we face this problem of national defense, when it looks like, for the first time in 10 years, there will be more jobs than there are men to fill them, it seems to me one of the greatest things to stabilize a community is not to cut down the appropriations for schools, but to increase such appropriations so that people who stay there will be able to get those jobs at home.

I think one of the most important things in the matter of stabilizing population is education, so that the adults will stay in the community, because, no matter how hard it is for them, they will feel that the children have a chance.

Mr. CURTIS. Is there anything else you wish to say?

Mrs. O'CONNOR. I would like to make just one statement relative to the point of view as to the resources in the community which go to build family life. I do not believe anyone in the group of these agencies treating and dealing with the transient problem has any other thought in mind in any way, except as an expediency, than to put these people in a community where they would have the advantages of community life. In other words, I do not believe that anyone of these various agencies feel that any family can develop unless it lives in a community with all the community resources. That is the objective of what we call the case and welfare workers who deal with transients. They realize and face the fact that there is always going to be a wandering back and forth, but we feel that, by Miss Jones' and Major Dodd's case workers' methods, we sometimes reluctantly take them away from communities in which arise such hazards as those about which Mr. Houston has been talking.

The question of moral character is involved; there also is the question of where the community can supply hospitalization; it is a case in which we reluctantly take them, with the hope that in the new community they may "find" themselves and build up family life.

Mr. CURTIS. Now, is the improvement in the treatment of the victim going to make more victims?

Mrs. O'CONNOR. I should like to hear the others on that, but I should think that the expenditure is an investment that is being put into the transient program for the purpose of getting jobs, an investment in the community where they can secure an education, get hospitalization, and get to a place that should come to every American family, because it is not the fact that $50 spent would cause them to stay here, but that we should find some constructive national plan of community living for these people who have not had an opportunity. Under such a plan they can go back again and plan their family development with the assistance of experts, and develop the ability to secure those things that are necessary in order to rebuild. It is my firm opinion that this would furnish them a new opportunity and the case workers' job, it seems to me, is to make that new opportunity a real good start on a definite and settled living plan.

The CHAIRMAN. I would just like to say before we leave that question which has been asked you: I have lived with this subject about a year now and I know less about it than when I started.

Mrs. O'CONNOR. We all feel happy that you have lived with it.

The CHAIRMAN. I think the questions that have been asked by Congressman Curtis are very important and go right to the merits of this whole thing. But I am interested in all of these migrant people, particularly those who have no alternative, those who have to move on account of circumstances over which they have no control. They find themselves without means of support, and the law of self-preservation, over which they have no control, compels them to move.

The last appropriation for the W. P. A. was reduced, I think, by a billion and a half dollars. Approximately 800,000 men went out. A lot of them had families. They cannot get any relief; they are not going to just sit still and starve. Now, what are they going to do? Those are the people that I am most interested in.

Now, of course, the people, many of them, have friends who are valuable to them. Many of these people came from the farm, were not on W. P. A. work. We have many people who have lived on the farm all of their lives. In the last 10 years I have talked to many of these people, and I have yet to find a one who would not like to go back on the farm. But in Nebraska, for instance, they had 8 straight years of drought, and they simply could not stay there and starve, so they moved.

Now, what are these people going to do? Many of them came to California. We went through much of that State, and I asked many of them, and other members of the committee asked them, if they would like to go back home. The usual answer was, "Yes; we would like to go back home if farming was what it used to be. We do not want to go back if we cannot make a living." Now, that is the kind of people in whom I am particularly interested.

The trouble with the situation is, we do not have 48 States; we have 48 nations, raising barriers against each other, so, if the destitute try to get through, they find it rather difficult.

I think you will agree with this committee that it is a national problem; that no single State can solve it.

In the early days of this country, why, we encouraged migration. Lincoln and others moved into the Middle West. Many groups moved into Montana, others went to California to take advantage of the resources. But those early days are gone. At that time they had almost unlimited resources. Now we do not have frontiers, and States have had to erect barriers, not arbitrarily, but because they have a terrible time trying to provide for their own people.

Let me say that the record shows that 895,000 people moved into California in the course of 5 years, and 495,000 were destitute. Now, suppose they had an earthquake over here in Pennsylvania and something like 495,000 moved into Ohio. Congress would convene in special session to take care of that situation.

I am very glad that Congressman Curtis pursued that line of questioning. We are faced with a problem, a great human problem, and I am very pleased that you have covered these broad points.

TRANSIENT COMMITTEE OF COUNCIL OF SOCIAL WELFARE AGENCIES

Mr. Curtis. One other question, Mrs. O'Connor: Will you, briefly, tell us what the transient committee of the Council of Social Welfare Agencies is?

Mrs. O'Connor. Yes. The transient committee of the Council of Social Welfare Agencies is a federation of 94 agencies in Washington, public and private, who plan and cooperatively execute the welfare program. It is made up of both lay and professional representatives; so we have the point of view of the public who support it and the administrative point of view of the professional group. The transient committee was a subcommittee of a special committee appointed about 1929 for the District of Columbia, because we felt that this problem was one that was going to be of increasing concern to Washington. I think the testimony this morning will show why Washington was a center.

We undertook, by getting together the 21 agencies who deal in some small part with the transient problem, to work out a plan that would be more effective, more centralized, and more adequate for the needs of the transients as they come here. After a year of study we undertook a very careful research survey, and from that survey we think we have developed a reasonably satisfactory program.

Mr. CURTIS. That survey had two major recommendations.

RECOMMENDATIONS

Mrs. O'CONNOR. It had several recommendations, Congressman Curtis, but the interesting point that will be made to you at this time, and as the chairman has pointed out, is that this was a national problem. Migration was deep-rooted in industry and agriculture, and should have a Federal program, if possible, in order to help. We had a definite recommendation for the District of Columbia, and we still make it, and the interesting point, as I said, is that after 12 years—this committee has been in operation for 12 years—we are still taking the point of view that it is a national picture entirely. The job especially relates itself to uniform settlement laws, uniform relief, and removal of State barriers. We found that at that time, and we are very happy indeed to find you are doing what you are along this line, and you have our hearty support.

Mr. CURTIS. Do you care to say anything about those recommendations in those years?

Mrs. O'CONNOR. Yes; for the District of Columbia. They were very definite. The first was that it was a Federal program and required Federal action; the second was that, as far as the District of Columbia was concerned, and as far as the 21 agencies interested and working on it, it was very necessary to have a cooperative scheme whereby the paramount function of one special unit would be to aid transients. A transient bureau was set up with the cooperation of all 21 agencies, being identified with the Travelers Aid and the Salvation Army, particularly, with a program for transients in the District of Columbia.

After a year the transient bureaus were set up. At that time the private agency did a piece of work that was considered very valuable; and the Travelers Aid and the Salvation Army, under the Travelers Aid program, helped several people. But the problem was very great.

After 18 months the transient bureaus were disbanded and that work was thrown back again on local facilities. Private agencies undertake to do the work to the very limit of their budget, but there is no adequate program.

At that time, and now, we feel that in this assistance program grants-in-aid should be provided to be administered under a cooperative plan between the Federal Government and the District of Columbia.

We feel, certainly, that there should be more shelter space, more room in the lodging house, which is very inadequate. Major Dodd will tell you a story of hundreds of men lying on grates trying to keep warm.

I think that Mr. Bondy raised, this morning, an extremely important question, when he said that we are on the receiving end and should be in position to furnish accurate information about employment, especially to men who pass through here looking for work. And we want grants-in-aid which can be utilized for certain definitely related items in a large transient program, particularly in relation to unemployed men.

I think, too, that there should be sufficient funds to take care of cases of families with no legal residence whatsoever. We are quite well equipped, I think, to set it up; we are still following the cooperative plan between private and public agencies in dealing with groups of people, men seeking employment, who have no legal residence.

Mr. CURTIS. I will say, Mrs. O'Connor, that your prepared paper as submitted will be made a part of the record.

Mrs. O'CONNOR. Thank you. I would like to add that we want a municipal lodging house, with more facilities for both white and colored. The colored facilities have been extremely bad. We would also like to have more shelter places for boys.

Mr. CURTIS. Mrs. Linzel, your prepared statement will also be incorporated in the record.

Mrs. LINZEL. Yes.

FAMILY WELFARE

Mr. CURTIS. At this time will you tell us briefly something about the scope of work of the family-welfare division of the Council of Social Agencies of the District of Columbia and Vicinity?

Mrs. LINZEL. The family-welfare division brings together the social agencies, civic organizations, and individuals who are particularly concerned with the preservation and strengthening of family life, of course, in the District of Columbia.

The division now has a membership of 45 organizations, and is made up of 23 social agencies which are supported by the community chest; 13 public agencies and 9 other private agencies and organizations. And it is from these various organizations that our information is obtained and through them that our work is done.

I should like, also, to mention particularly our intake committee from which we secure the definite detailed information, which is included in the statement that you will have in the record. There is a list of 22 agencies which are represented on that committee.

Does that give you an answer to your questions?

Mr. CURTIS. Yes. You deal with the family primarily?

Mrs. LINZEL. Yes; and family welfare in the District of Columbia.

Mr. CURTIS. What aid do you give them?

Mrs. LINZEL. We ourselves do not give the aid; we are a federation of the agencies that do the work.

Mr. CURTIS. What does your committee do; does it handle the individual family cases?

Mrs. LINZEL. We do not handle individual family cases. We are a federation of agencies that brings together in a cooperative way these various groups that go down to the individual cases.

The CHAIRMAN. You are a sort of clearinghouse?

Mrs. LINZEL. That is correct.

Mr. CURTIS. In order to prevent duplication?

Mrs. LINZEL. To prevent duplication wherever possible.

Mr. CURTIS. Do these various agencies that exist here in the District of Columbia, reach in some manner every destitute family that comes along?

Mrs. LINZEL. I think it does not, Congressman, because our own appropriation cannot cover all of the destitute families that come here. That is the reason for the recommendation that Federal grants-in-aid are so very necessary in Washington and in coordinating the local assistance work.

TRAVELERS' AID SOCIETY

Mr. CURTIS. Miss Jones, I wish you would give the committee some idea of the scope of the work of the Travelers Aid Society.

Miss JONES. The Travelers Aid Society, with respect to the community and its assistance to nonresident groups that have been talked about here, deals with two major aspects: The single, or unattached, homeless men of 18 years and over, and second, the World War veterans and their families.

The first group that I mentioned are referred to the nonresident division of the public agencies here; and the second group referred to the welfare division of the American Legion. However, that leaves all of the women, and girls and boys 17 and under, and families as the responsibility of the Travelers Aid Society, for service and planning, as well as for financial assistance where necessary.

But I would like to emphasize this point, that our interpretation, as we have been forced to make it—and we quite agree to it—is that a transient is a person who has been in Washington for less than 12 consecutive months. Now, that is not the present interpretation, as I understand, of the residence policy of the board of public welfare, their interpretation being 12 consecutive months self-supporting. So, it is quite obvious that at that point there is a gap in the service in the District of Columbia. A person may have been here 18 months but have received help from friends and relatives, or something of that sort, making him or his family ineligible for public-agency care and yet who would not come within the scope of in-take policy. And, I might point out to you that the private residence agencies have been forced to follow pretty much the same interpretation in regard to intake throughout the country.

Mr. CURTIS. How long, on the average, do these cases remain?

Miss JONES. That is difficult to say. I should say something less than 3 months; a comparatively few remain longer than 6 months.

Mr. CURTIS. From where do most of them come?

Miss JONES. Well, we made a sample study of intakes in January and February of this year, 1940, and we found that people came from 32 States and Alaska. Of the total group 15 percent came from Virginia; 11 percent from each North Carolina and New York; 9 percent from both Maryland and Pennsylvania. Of course, many persons go back and forth. They came from as far away as California and Colorado. Of course, I would say that a majority came from the States along the eastern seaboard.

Mr. CURTIS. You would say the average time is about 3 months?

Miss JONES. Possibly less.

Mr. CURTIS. What happens to them when you no longer continue to care for them; what becomes of them?

Miss JONES. Of course, there is nothing arbitrary; there is no arbitrary limitation of time that we would just stop caring for them at any given period. We handle all of them on an individual-case basis, and we would either assist them to get employment in this community, or aid them until they can get help, find work in some place or in some community, or develop some resources, secure some type of assistance, or be assured that resources of some kind are available.

Mr. CURTIS. I notice the figures in your statement that since 1935 there has been a marked increase each year.

Miss JONES. There has been a marked increase every year since 1935. I might add that the most pronounced increase has come, I think, since June of 1940. Since June of this year we have had an increase of approximately 200 cases per month until August, a month in which we had 400 cases more than we had in August of last year.

Mr. CURTIS. What is the total budget for the District of Columbia?

Miss JONES. It is approximately $40,000.

Mr. CURTIS. It is a national and international organization?

Miss JONES. Well we do have representatives all over the world. We are members of the National Travelers Aid Association, which I believe, is the only private national organization which devotes its full time to studying the problems of moving people, and we have for many years, of course, done work that is extremely valuable to all local employment agencies in meeting the problems that come to us.

Mr. CURTIS. I notice in your paper that you mention that the railroad companies and transportation companies have been of assistance. In what way do they help; in reduced railroad fares?

Miss JONES. In situations where that is warranted we have the privilege of asking them to furnish rates which make transportation at reduced fare available.

But I would like to point out that, through the cooperation of the board of public welfare, the transportation funds are appropriated for the District of Columbia by Congress, as I understand it. We do secure transportation for practically all of our cases.

Mr. CURTIS. I notice this statement in your recommendation:

> I feel that in the District of Columbia the nonresident problem is not such as to warrant "mass treatment" of the nature of a broad Federal transient program.

Will you tell us just what you had in mind in that regard?

Miss JONES. I was speaking exclusively from the point of view of the problem as seen by our agencies in the District of Columbia. I am not prepared to discuss it from the national angle.

But it seems to me that the problem is such as to require emphasis on stabilization as a means of preventing a transiency and that sort of thing, and possibly the setting up of a transiency program that might take care of that problem without increasing it. I realize the need at this time of meeting the problem, but it seems to me that it is not meeting the fundamental cause of transiency, that we are more or less putting the cart before the horse. We ought to have some provision, either through the extension of the social-security program or in some other way to make adequate provision for the residents, so that the families that you are talking about would not feel desperate, would not feel forced to leave the communities in which they live. If a proper Federal program could be set up, it would help solve the problem of this group of people with no legal residence. It is that group that we are concerned about, which is increasing every year, and in the future is likely to continue to increase.

Mr. CURTIS. Miss Jones, we all know that in this group of transients there will be found the few chronic wanderers for whom such a program would be of little benefit. We all know they exist. There is no use to try to give everyone a job. It cannot be accomplished 100 percent. But would you be kind enough to venture an estimate as to what percentage of the unfortunate people that your agency comes in contact with who are just chronic wanderers, who get some help here for a few months, probably, and then go to some other place and get some help and then move on to some other place?

Miss JONES. I think a very small percentage.

Mr. CURTIS. Would you care to estimate it at all?

Miss JONES. No; I believe not.

Mr. CURTIS. Would you think it would be as much as 5 percent?

Miss JONES. I would hesitate to give any definite percentage. I think the number is certainly comparatively small.

Mr. CURTIS. Now, you also say the group you cannot help is that unfortunate group of people who have no legal residence anywhere?

Miss JONES. Yes; and also that group for whom the community has no resources to offer, who need to be taken care of on a sort of temporary basis in order to try to help them develop either some resources of their own or some community resources, whether locally or out of town.

Provision should be made for residence agencies, which would perhaps make special arrangements for that group of people, because they are not eligible for assistance at the public agencies and, having no residence elsewhere, it would probably be a very long time before they were cared for. We feel they should be a definite public-agency responsibility.

Mr. CURTIS. And that is the group that has a very definite claim on the Nation to which they belong.

Miss JONES. Yes. Because of the State residence laws in some cases use the word "intent," a term that is comparatively ambiguous and susceptible of so many interpretations it works very grave injustice on many people.

For example, we have a case of a woman from the State of Illinois who, after 3 years' residence, because of the State law, lost her residence on the basis of intent. The woman had lived in Chicago for 5 consecutive years. She went to a small community in the southern part of the State, and therefore Chicago interpreted that as meaning an intent to move elsewhere. After 3 weeks she left the small community and came to Washington. We could not get an authorization or verification of her residence from either Chicago or the small community in Illinois. We did not feel that it was her intent to leave the State of Illinois, but the fact that Chicago said it showed an intent to move to Bloomington, and Bloomington said she had only been there 3 weeks. The fact that she had been in Chicago for 5 years showed she had a Chicago residence.

Mr. CURTIS. May I say that we are glad to have that statement of fact, because parallel cases like that could be found throughout the country.

Miss JONES. Yes.

Mr. CURTIS. Your statement will be included in the record.

Miss JONES. Yes.

Mr. CURTIS. I believe that is all I care to ask.

Miss JONES. Thank you.

SALVATION ARMY

Mr. CURTIS. Major Dodd, what particular phase of the transciency problem does the Salvation Army have to meet?

Mr. DODD. Congressman Curtis, may I develop something that was suggested in your discussion with Mrs. Linzel?

Mr. CURTIS. Yes.

Mr. DODD. You asked whether there were families who came here in considerable numbers who were not cared for, and I think you had particular reference to migratory families.

Mr. CURTIS. Yes.

Mr. DODD. And Mrs. Linzel said that was quite possible, but that it is a situation that is unavoidable.

The Chairman said that 800,000 were cut off from the Federal rolls, and if that happens to a migratory family; as may have happened time and time again to people who were not migrants; and who were certified to the W. P. A.; there is no help for these migrant families. The private agencies in the field just simply do not have the budgetary provisions sufficient even to meet their local situations. And that must be the situation in thousands of communities throughout the country.

Necessarily, because of what is happening to local families, there is a similar problem for the migratory family; that has been the situation in Washington, D. C.

Now to come to the question you asked about the part played by the Salvation Army. In the field of the homeless, the Salvation Army has responsibility for care of women and children, and for homeless men; the women and children being cared for in the Women and Children's Emergency Home. The Travelers Aid does that character of work in that connection, and for the homeless men we have the sheltered workshop, the Men's Social Service Center, as we term it; and our institution will serve approximately 93 men.

I had occasion to go over the population in the institution on November 25, and my inspection revealed that there were 27 States and 4 countries represented among them, so that it is a migratory group, very largely. However, it is not just a question of staying for today and on their way tomorrow. The average stay of these men would be around 3 months, and as they leave the institution, I would say it is generally with the hope or belief that they will find employment in some other community. We have no budgetary provision for the large transient program such as we participated in prior to the Federal program. Our budget in those years went up to $60,000 in carrying on our program, but, with the coming into existence of the Federal program, we liquidated. Since then the local needs have been such that it is not possible for us to secure finances to enable us to fulfill the program with transient men as we might really do in order to meet the situation.

Mr. CURTIS. Does the increase of Federal funds make it more difficult to raise funds for private purposes?

Mr. DODD. I do not know. Our community chest has been for the past several years endeavoring to raise $2,000,000 as its goal, and last year and the year before that, and the year before it, was not able to achieve the goal. Usually not more than about 95 percent of the total has been raised, and because of the inability to raise sufficient funds to take care of the local needs consequently, no provision is made for the care of the migrants.

Mr. CURTIS. Of course, your paper will be made a part of the record.

Mr. DODD. Yes; thank you.

RECOMMENDATIONS

Mr. CURTIS. Do you have any recommendations that you want to emphasize to the committee at this time?

Mr. DODD. I have three, and the fourth has been suggested.

First. Because of vicious practices in many jurisdictions, particularly as they relate to settlement laws, it is hoped that this committee will use its influence in promoting uniform settlement laws throughout the Nation.

Second. Due to (*a*) the presence in every community of the citizens of some other community for whom care must be provided; (*b*) the fact that States are unable to maintain adequate standards of relief (materially adding to transciency) without the assistance of the Federal Government, it is recommended that provision be made for a program of grants-in-aid by the Federal Government to States, rather than have the entire responsibility shouldered by the Federal Government.

Third. That locally, because of inadequate provision which forces men to sleep out, panhandle, and so forth, with all the dangers and menace to the community, a municipal lodging house with case work and medical services included, sufficiently large to meet the need, is recommended.

And in connection with the fourth suggestion, I would like to add to the recommendation of Mrs. O'Connor—I think Miss Jones also touched upon it—that some provision should be made in connection with the employment service. Then, if there is employment opportunity in a given area, the agency where these men stay could be furnished information that can be made available to them by the employment service. Thus, when they, as transients, come to us asking for employment we will know what to tell them. And I might say that out of the same 93 men that I mentioned, who came to Washington, 57 of them came here seeking employment.

We have not been able to help them because of lack of capacity, lack of facilities; and we should be in position to call upon some agency that could tell us whether the employment opportunity—for instance, in Florida, under the defense program—is still available; or to tell them of some other place where they might have an opportunity to secure employment.

As it is, if they hear that something is developing in Florida, they may move in that direction. We ought to be in a position to look into the situation. We may find that so many people have already gone to Jacksonville, as I understand is the case, that they are faced with an almost insurmountable relief problem, because of the number of unemployed people. If we now had information of that kind regarding other places, we could advise them it would be useless to go there. We would be in position to give a little guidance, whereas, at the moment, we just do not have sufficient factual information to help us to do that kind of thing.

Mr. CURTIS. Do you think we should also recognize the human trait in everyone to feel perhaps the pasture is greener in some other community?

Mr. DODD. Yes; absolutely.

Mr. CURTIS. And to guard against that error?

Mr. DODD. It is typical, it is inherent, you might say. You will find it all over the country.

PROBLEM OF NEGRO MIGRANT

Mr. CURTIS. Mr. Houston, how old is your organization?

Mr. HOUSTON. Our organization is now 31 years old.

Mr. CURTIS. What is the primary purpose of the organization?

Mr. HOUSTON. Civil rights.

Mr. CURTIS. How does your organization come into the field of the destitute and migrant situation?

Mr. HOUSTON. It comes into the field, I might say, due to the fact that our population is affected more than any other group. I mean, to use this statement, they are the last to be hired, and the first to be fired. The organization is not simply for the purpose of meeting the migratory problem; we back into it.

Mr. CURTIS. Mr. Houston, today's hearings were set aside for the District of Columbia. It is a very far-reaching matter we are investigating, and it is easy to go far afield in the discussion, but, with particular reference to the District of Columbia, what are a few of the problems that face the destitute Negro man who comes to Washington?

Mr. HOUSTON. Congressman Curtis, I think Mrs. Linzel has spoken about the inadequate provision for relief, the relief needs for both white and Negro.

There is also the problem of employment from the standpoint of wages, which is one of the things that affects the District of Columbia, so far as Negro women are concerned, particularly. Most of the Negro women are domestics, and the employment of migratory Negro women has brought down the standard of wages, not only for that group, but also for the local domestics, so that they are faced with a sort of depression from that source for the domestics. That is one of the very difficult problems.

Now, as to other problems, I think there is a serious lack of authentic information, and we have tried to make studies. This morning I went to the budget committee to try to get some information as to whether the migrant presented a much more serious problem than the delinquent and there were no figures on it; there is no breakdown.

I went to the probation office and tried to get the same information so far as adult crime was concerned, and again there was no break-down. I went to the clerk of the United States District Attorney, and although he had certain notions, he had no figures. I went to the police headquarters to try to get information and could not get it, and then I went to the Criminal Justice Association to see what information I could get, and the only thing they had was a study made about 2 years ago, of persons in the jail, as to places of birth, and even then there was no check-up as to such places of birth.

So I shall have to say to you that I cannot give you any definite answer, but it seems to me that one of the things we ought to do, in order to bring this on a scientific basis, is to get more real, factual information.

Mr. Curtis. Mr. Houston, our records will be open for several days, although we must report to Congress at the beginning of the next session in January. Inasmuch as you have not submitted a written statement, if you decide that you can make some contribution, we will be happy to have it and incorporate it in our hearings.

Mr. Houston. I shall be very glad to, Congressman. I should simply call your attention to my limitations. I am simply a lawyer in private practice, and I am not an expert in this field. But I shall continue to try to reach some of the agencies that are working, and if I do get information, I shall be only too happy to send it in.

Mr. Curtis. I think the chairman of this committee will agree—and I think we all will—that all lawyers are experts.

The Chairman. In what?

Mr. Curtis. Well, just generally. Being a lawyer does not mean that you are not an expert. We all are.

The Chairman. In any event, Mr. Houston, you have the privilege of filing such a statement if you should see fit to do so.

(The following statement was later submitted to the committee and accepted for the record:)

SUPPLEMENTARY STATEMENT OF CHARLES H. HOUSTON, OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

Some Aspects of Transiency as it Affects Negroes in the District of Columbia

The amount of all transiency for the District of Columbia is difficult if not impossible to determine. It is equally or more difficult to ascertain with an appreciable degree of accuracy the percentage of existing transiency which is supplied by movement of the Negro population. District welfare agencies concerned primarily with the needs of nonresident individuals and families are unable to furnish specific data as to the numbers of Negroes in the distressed groups. A rough estimate seems to indicate that nearly one-third of the needy migrants applying for assistance in the District are colored. This figure seems surprisingly low in view of the evidence submitted in the Work Projects Administration study Migrant Families, that the District of Columbia is in the area furnishing proof of considerable movement of Negro population north along the Atlantic coast.[1] Also it is so far below the percentage of Negroes in the relief population in Washington that inquiry into some of the reasons seems indicated.

First there is the strong probability that needy Negro migrants find other ways of managing than appeal to welfare agencies. Foremost among these is recourse to the unorganized welfare services such as the "store front" church and to other members of the race residing in the District. The appeals for relief by residents of fairly recent establishment of settlement strengthen this belief, although the number of such applicants is not great.

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[1] John N. Webb and Malcolm Brown, Migrant Families (W. P. A. Research Monograph XVIII), p. 167.

Secondly, inadequate facilities for care might act as a deterrent to application. There are 10 beds for Negroes in the boarding department of the municipal lodging house. The Salvation Army has a small shelter for Negro men, but since a small fee is charged for accommodation there it is reasonable to assume that some are unable to pay it. The various local missions affording shelter for transients, in general exclude Negroes. The Travelers Aid Society includes Negro families in its services to family groups, but limitation of funds make it necessary for that agency to restrict its intake to those whose needs can be met out of funds available.

Another factor tending to lessen Negro applications for nonresident aid is probably the habit often observed among Negroes, of the husband and father coming on ahead to find work and establish a home before sending for his family. This means that most of the Negro migrants would be classified as "unattached individuals," many of whom manage to subsist for a year with income derived from odd jobs, panhandling, or help of friends. The low standard of living previously maintained means also the possibility of maintenance at a very low level during this period.

The fourth factor is based on personal opinion and might be open to question from those holding contrary opinion. That is the lack of Negro personnel in the administration of services to the migrant group. Neither of the private agencies offering some services to Negroes employ any Negro case workers. Likewise there are no Negro case workers in the nonresident service of the Board of Public Welfare although colored case workers are employed in other divisions of the Board. There is a tendency for Negroes in need to seek service or aid more freely where they see members of their own group. This tendency may arise out of a fear of rebuff or a suspicious attitude toward white people. This would be particularly true of the ignorant southern migrant who has been conditioned by earlier adverse experience.

In considering the reasons for migration of Negroes, some attention must be given to factors other than economic, though that one is paramount with colored as with white. Negro migration has been largely from the South to the North, in contrast to the prevailing trend of general migration westward. That social and political factors enter into Negro migration to a considerable extent is shown by the frequent reports in Negro newspapers regarding members of the race forced to flee from southern homes. Also the lack of adequate health and educational facilities, especially in the rural south, influence some Negroes to leave to secure these advantages in the North.

Any effective remedy must apply throughout the country and not to a particular section. Some provision for Federal aid for general public assistance, including nonresident families, should be made. However, for such a remedy to have a real effect on Negro migration, it would have to stipulate minimum essentials adequate to insure health and decency, below which no community must fall.

It should be noted that Federal legislation to relieve the problem will have to be so drawn as to require explicitly that, both in the number of clients aided and in the standards by which the extent of aid for a given client is determined, there shall be no discrimination on the basis of race. Without such legislative stipulations the social and political conditions which obtain in certain areas of the Nation would operate largely to exclude needy Negro migrants from the federally subsidized program, or to administer aid to them on the basis of differential standards, or both. Legislation to meet this general problem can, in our opinion, best be incorporated as an addition to the Social Security Act.

PANEL TESTIMONY, DISTRICT OF COLUMBIA—Resumed

Mr. Curtis. Mr. Chairman, I have greatly appreciated the discussion we have had with this group. I feel very much like our chairman who says that he has studied this for months and knows less about it now than when he started.

I am inclined to think, however, that the interstate migration of destitute citizens is not the sole problem, but it is evidence of a lot of other problems in a great many places in the United States. It is what they run to because they meet those problems somewhere else.

I have nothing further, Mr. Chairman.

The CHAIRMAN. I think you have covered the field very well, Mr. Curtis. I certainly do not want to duplicate what is already in the record.

Mrs. O'Connor, you depicted very well your explanations, so I shall not ask you about that.

Mrs. O'CONNOR. May I add one more to those, Mr. Chairman?

The CHAIRMAN. Yes.

Mrs. O'CONNOR. I heard this morning Mr. Ryan's recommendation for a committee or a commission of some sort to be appointed to go on with the study of this problem.

I think this is such a changing problem and the needs are so changing, that it is very necessary to keep up with the demands of the times. I agree, too, that I think more information all along the line is very necessary. So I think, without getting any action from the transient committee, that we might put ourselves down on record as strongly favoring a commission or a committee such as you might suggest.

The CHAIRMAN. Mrs. Linzel, did you have anything further to say along the line of recommendation?

Mrs. LINZEL. Nothing, except to pass on to Chairman Tolan the recommendations from our intake committee, which are embodied in our prepared statements. Mrs. O'Connor is president of the National Travelers Aid Association, which is the Nation-wide body of which Miss Jones is the local representative.

The CHAIRMAN. Miss Jones, could you give me the percentage of people coming to your agency who are employable?

Miss JONES. I do not know it. I do not think I could give you a definite percentage. I notice in our statistics for 1939 that approximately 1 in 10 had either some physical disability or some temporary illness. That would not mean, necessarily, that they were unemployable. It might be some physical disability which could be corrected rather quickly, and might make them unemployable for only a certain time, or for certain types of labor. They may have a particular craft. So I think that is a difficult question for me to answer.

The CHAIRMAN. Major Dodd, have you anything further to say concerning recommendations to this committee as to any possible solution of this problem other than has already been said?

Major DODD. I think, Mr. Chairman, that you touched on it yourself when you mentioned this release of such a large group of men locally. It seems to me, as has been indicated all through the afternoon, that the reason, outside of the natural tendency perhaps of the American to be on the move and to improve his status—the basic cause for all of that is unemployment. That is one thing. And second, that where there is unemployment, the inadequacy so often of the local committee, which makes it almost mandatory for a person, as you suggested, to move on; that and more jobs, plus better local care, I think would cut down very materially the problem of the migrant.

But for that group who are on the move and in search of work, it seems to me that, while they are not residents of the District of Columbia or of California, they are residents of the Nation, and the Nation has a responsibility.

The CHAIRMAN. That is the way I feel about it. The idea is simply this: As near as we can get the records, there were about 4,000,000 destitute people crossing State lines last year. All through your testimony here today, and all through our record, we have instances—the record is replete with them—of lack of information and a plethora of misinformation. In other words, we are dealing now with American citizens, and it does not help the morale of this country to kick them around. After all, this country has got to be worth living for and dying for.

We had the head of the Labor Department in California on the stand, and he told us all about labor conditions there. I finally asked him this question. I said:

> Do you think it is possible to have in some of these States where the greatest migration exists, either a State or a Federal employee, such as a Forest Reserve man, stationed where there were overnight camps, and if a family were to pull up, to ask them courteously where they were going; and if they said they were looking for work, this man could suggest to them that they get out of their car, inform them that the Government was maintaining overnight camps where they might have supper and wash up, and that afterward he would come over with maps and give all the information possible as to where there might be employment, or advise them as to whether they should go back?

He said:

> Yes; of course that is possible. We are doing it now for pests, to control diseases of fruits.

"But," I said, "you are not doing anything for the diseases of human life."

There is the old question of the dollar in there again. It is a peculiar thing, ladies and gentlemen, that all through our existence we have concentrated on that dollar and that free flow of commodities—and I cannot get that out of my mind, I have repeated it so often; that it is pathetic, but somehow, some way, we think that these millions of transients are going to get along without anything to do. I think they deserve attention and I think they are going to have to get it.

In years gone by there were masses of reports from various departments that were filed, concerning these problems, and nothing has been done about it at all. We hope to make recommendations to the Congress. We do not know what we can do. We may want to contact you again and talk over some of these recommendations.

Speaking as chairman of this committee, and as an individual, I feel very grateful to you for coming here and helping us out. We thank you very much.

Mrs. O'CONNOR. Thank you for your attention.

The CHAIRMAN. I will ask the reporter to have incorporated in the record at this point the prepared statements of Mrs. O'Connor, Mrs. Linzel, Miss Jones, and Major Dodd.

(The statements referred to are as follows:)

STATEMENT OF MRS. FRANK LINZEL, CHAIRMAN, FAMILY WELFARE DIVISION OF THE COUNCIL OF SOCIAL AGENCIES OF THE DISTRICT OF COLUMBIA AND VICINITY

The family welfare division, of which I am chairman, brings together those social agencies, civic organizations and individuals vitally concerned with the preservation and strengthening of family life in Washington. Now represented on the division membership are 45 organizations, including 23 social agencies supported by the Community Chest, 13 public agencies, and 9 other private agencies and organizations.

Our close contact with human need as it comes to the attention of the many different agencies in Washington has made us thoroughly familiar with the problems of the migrant or nonresident families who come to the Nation's Capital for many reasons. We believe that the most fundamental causes forcing these people to our community are:

1. Nation-wide economic conditions.
2. Diverse settlement laws.
3. Lack of adequate provision for public assistance to needy persons regardless of their residence status.

The inadequate public assistance program in Washington is well known, as is that of many of the communities to the south of Washington where many migrant families originate.

Since the liquidation of the Federal transient program, as referred to by Mrs. O'Connor, our agencies have tried to help where their funds would permit but without a basic program to assist the nonsettled person the agencies have been able to meet but a very small proportion of the total need.

I have asked the members of the intake committee of the family welfare division to give me their experiences to bring to you today, inasmuch as the members of this committee are the intake workers of the various agencies who meet the problems of the migrant families day after day and are concerned that are able to give very little real help. This committee includes the following agencies: American Red Cross, Protective Services Unit of the Board of Public Welfare, Catholic Charities, the Woman's Bureau, Juvenile Court, Public Assistance Division, Travelers Aid Society, Family Service Association, Federation of Churches, Children's Protective Association, American Legion, Salvation Army, Jewish Social Service Agency, Instructive Visiting Nurse Society, Prince George's County Social Service League, Prince George's Board of Public Welfare, Prince George's Catholic Charities, Montgomery County Social Service League, Montgomery Welfare Board, Alexandria Social Service League, Washington Self-Help Exchange, Community Chest Application Bureau.

To give you an accurate picture of this problem we shall mention certain groups who come most often to our attention:

I. Families who have wandered here to better themselves socially or economically and have lost their legal settlement anywhere.

II. Migrant families who are unable to gain residence here because of the various legal and administrative restrictions established by the Work Projects Administration and the public-assistance division, or other authorities in their standards of "eligibility."

III. Persons who come to Washington because it is the Nation's Capital. They are sure there are better opportunities here than in their home communities and believe that they have "a right to come to their Government in Washington." Many persons are brought here on the promise of patronage jobs that do not, for one reason or another, materialize. Within each of these groups are many cases, but these few will serve to illustrate:

We know of a family who moved to Washington from Maryland because they had had a hard time getting along in the other State and felt they could get some work here. The Travelers' Aid Society gave these parents and their five children assistance while they investigated the possibility of their return to their home community. The family would not return because of lack of economic opportunities back home. They struggled along against heavy odds until the husband became ill. The resident family agencies could not assist, nor could the Travelers' Aid. They had lost their legal settlement and were not eligible to assistance through our public agency.

In another family known to us, the man had an admirable background as a painter and glazer. During the depression he could find no private employment and went to work on Work Projects Administration. Standards of living being such as they are, he found his Work Projects Administration wage inadequate for his family, composed of a wife and eight children. When he learned of a house and garden into which he could move free for doing painting for the landlord, he was delighted with this prospect. He moved into an adjoining Maryland county, continuing his District Work Projects Administration employment. A tragic accident followed. While the man was preparing to paint at night for his landlord, a gasoline lamp exploded, seriously injuring him. Months of hospitalization were to follow. The family moved back into the District and appealed to the public assistance division for financial aid and were rejected because they had lived 2 years in Maryland. The Maryland Public Welfare was unable to help as the man had not gained residence there because of his District Work Projects Administration work. It seemed a clear-cut case for public relief but our diverse settlement laws could not adjust to the human factors involved. Here the private agency and a church stepped in to tide the family over at least for a little while.

There is a definite conflict between relief restrictions and cases involving prisoners who are paroled to the District of Columbia Parole Board. Such men must remain here for parole because they were incarcerated from the District of Columbia; witness the following: A man whose home is in Virginia has been paroled to remain under the supervision of the District of Columbia Parole Board until February 24, 1942. His wife has come here to be with him during his readjustment to civil liberty. Unfortunately the man's background is that of farming; his work opportunities here are practically nil, Should he require financial assistance he will find himself ineligible by lack of residence. Social workers feel that we have in this man potential material for further crime, the treatment of which may be more costly than aid during the period of rehabilitation.

News from Washington is of concern to the whole Nation. Those individuals involved in financial difficulties in the home communities oftentimes hear through their local newspapers of the need for workers in connection with the national-defense program. We know of one man and his wife who read a notice of the many positions available, took their last money and came quickly to Washington to be among the first to be employed. They could not understand the lack of resources since they were "citizens of our country and this is the Nation's Capital." They were manifestly unable to understand why agencies could not help until the job materialized. They refused the offer of return to their home community because they wished to see their Congressman in connection with the job and an appointment was scheduled a week ahead because of the Congressman's absence from the city.

RECOMMENDATIONS

Upon the day-to-day experience of intake workers in meeting these people who are in need, these recommendations are based: (1) uniform settlement laws and (2) a program of Federal grants-in-aid to the States for case-work treatment of migrant problems. We cannot conclude without indicating, however, that such a program must be prepared hand in hand with a Federal program of grants-in-aid to the States for general public assistance following careful study as to the interrelationship of transient and migrant problems to the adequacy of local assistance.

May we point out that the groups mentioned, lacking faith in the democratic way of working things out, become potential material for crime and the high promises of those who do not believe in democracy.

LACK OF INFORMATION

Frankly, we do not feel that we have accurate information as to the extent or volume of the migrant problem in Washington at the present time. There are several reasons for this: Each agency handles some one small segment of the total group as its funds and program will permit. We do not have central reporting of services to transients from the various missions and shelters who for the most part do not have facilities for keeping accurate records. Though the Travelers' Aid Society, Salvation Army, and nonresident service of the public assistance division do send us their regular reports, this is only the count of those individuals actually receiving their help and does not include the numbers who may apply to them but for one reason or another are not eligible.

The true picture can scarcely be determined without a centralized service where all migrants or nonresident persons and families could be registered.

Similarly, we cannot answer the question "what happens to these families who cannot get help?" We know they are among us in this community and can only guess at the human waste in future ill health, delinquency, crime, and broken minds that will result from our neglect today.

PROBLEM BELONGS TO THE FEDERAL GOVERNMENT

We in Washington are acutely aware that the problem of transiency is interstate and national in character. In the absence of a comprehensive public-financed program, national in scope, each State and each community within the States must continue to erect legal or administrative barriers in self-protection. For this reason the States are enacting increasingly rigid settlement laws. Likewise within each community the social agencies, public, private, establish the various eligibility restrictions as illustrated earlier in this statement to conserve their limited funds for those that "belong" and therefore have first claim. The obvious result is a pathetic picture of the migrant or unsettled family, caught in a hopeless maze of State and local barriers that will rise higher and higher unless we are willing to face this problem realistically here and now.

STATEMENT OF MRS. JOHN JAY O'CONNOR, CHAIRMAN, THE TRANSIENT COMMITTEE OF THE COUNCIL OF SOCIAL AGENCIES

The transient committee of the Council of Social Agencies has been in existence 12 years. Its function is to coordinate the work of all agencies dealing with transients and through the conference method to make plans for more effective administration of the work. After trying for a year to solve the problem in Washington, the committee decided that a survey of the whole situation should be made and funds were made available for the conduct of this survey. After months of study which was participated in by 21 social agencies of the city and with the leadership of a research worker, certain definite recommendations were made for future procedure. The study urged first, "The incorporation of employment into any plan made for service to transients," and legislation governing commercial employment service was urged; second, "The establishment of a bureau for transients under the supervision of one agency in order that all work with transients should be concentrated in one place." This bureau would have social-case workers who would make the welfare of the individual its paramount concern and to concern itself with all phases of the work such as employment, health, transportation, lodging, etc.

The transient committee at once began to carry out the recommendations of the study and a bureau for transient men was established in the office of the Travelers' Aid Society. This bureau cooperated actively with all social agencies and particularly with the Salvation Army shelter which was enlarged and offered shelter to the men with whom the bureau was working. This arrangement continued with reasonable success until the Federal Government came into the picture with the establishment of the Federal Transient Service which included lodging houses. When the Government took this step the bureau for transient men discontinued its service, the Salvation Army shelter was closed and its work with transient men stopped as there seemed to be no valid reason for private agencies to duplicate the work of the governmental agencies. It is now a matter of history that after assuming responsibility for this work, the Government after about 18 months decided to liquidate its program and threw back upon the community the responsibility of transient care.

In the meantime, however, the plans of the private agencies had become dislocated and financial stringency made it impossible for them to revive their work along previous lines. The only possible arrangement which could be made was interagency agreement on the handling of specific types of service. For instance, the Travelers' Aid Society agreed to handle all children under 17, nonresident families, and unattached women. This the agency has continued to do up to the present time. Fortunately the nonresident service of the Board of Public Welfare was kept alive and this gives assistance to men with residence elsewhere, and the Salvation Army gives shelter care to a limited number of women.

Realizing that this seemed to be the extent to which private funds could be used, the committee made definite recommendations for a permanent program for transients in Washington which included the establishment of a bureau under the Board of Public Welfare responsible to the director of public welfare and managed by a trained supervisor, the services of the bureau to include the management of the Municipal Lodging House, the transportation of indigents, and provision for a younger group of men and boys. The committee felt that "No permanent plan should be considered unless it be a part of a grant-in-aid program of the Federal Government, which would encourage each State to establish its own program for the care of indigent nonresidents within its borders." The committee believes that uniform settlement laws are a prime necessity in planning for transients. It has constantly urged an adequate municipal lodging house where both men and women could be lodged while plans are being made for them. The committee will continue to follow along these lines, and is deeply interested that a committee in Congress is working toward the solution of the problems of the migrant.

STATEMENT OF MISS ALICE ELIZABETH JONES, EXECUTIVE SECRETARY OF THE WASHINGTON TRAVELERS' AID SOCIETY

The Travelers' Aid Society, an agency supported by the community chest of this city, is primarily concerned with the nonresidents or transients in the District of Columbia. Aside from our travel service for children or any other inexperienced travelers who wish it, and our information, direction, and referal services to travelers at the terminals, the main program of our agency is a casework-service program for the migrants or nonresidents of the District. The Washington Travelers' Aid Society is a member of the National Travelers' Aid Association, which maintains an intercity chain of service with member agencies all over the country. It is, I believe, the only private national organization which devotes its full time to the study of moving peoples. Our program in Washington includes individualized service to these moving people as well as financial assistance wherever necessary. It is extended to all nonresidents in the District of Columbia, with the following two exceptions: First, single or unattached homeless men 18 and over, who are referred to the nonresident service of the public assistance division, and, second, World War veterans with an honorable discharge and their families, who are referred to the American Legion welfare department. The definition of "transient" as interpreted by the Travelers' Aid Society is that person who has resided in the District of Columbia for less than 12 consecutive months and who requires some type of assistance from an agency. The Travelers' Aid Society has, ever since the close of the Federal transient program, assumed responsibility in the District of Columbia for assisting all girls and women, boys 17 and under, couples and families (with the previously noted two exceptions), who are nonresidents in the District. Our field of service has been worked out in conjunction with the other agencies in the District, both public and private, to cover as nearly adequately as possible all the welfare needs of the community. However, certain gaps in the service still exist for which there is no resource in the community. Well known in this group are those people who have no legal residence anywhere. The Travelers' Aid Society may accept individuals or family groups in this category for a temporary exploratory period to try to develop resources either locally or out of town, or to establish residence for them somewhere in the United States. If these efforts fail the agency does not have sufficient resources to continue to care for the indefinitely, and, too, it is our feeling that this should be a public-agency responsibility. However, none of the public or private agencies in the District are willing to accept this group for care, with certain rare exceptions, which may be made by the private resident-family agencies. Also, as mentioned above, the Travelers' Aid Society interprets the establishment of settlement in the District of Columbia as 12 consecutive months of residence here although the present interpretation of the residence policy by the Board of Public Welfare requires that an individual be "self-supporting" in the District of Columbia for 12 consecutive months. The definition of this rather ambiguous term has caused much confusion and hardship for many people.

Since 1935 the case load and the service of the Travelers Aid Society has continually increased. During 1935 we had 3,640 cases under care; in 1936, 4,497; in 1937, 4,606; in 1938, 4,866; in 1939, 4,956; and for the first 10 months of 1940, 4,850. However, I would like to emphasize at this point that these are the total number of cases under care by the agency and include many incidental and travel service problems and other difficulties not primarily connected with migration, and only about half of the number are either exclusively or primarily "transients" in the general sense of the term. Of the entire case load, approximately three-fourths have been white people, the rest Negroes or other nationalities. Our statistics show that they use all means of transportation in coming to the District, although most of them hitchhike. That they come from every part of the United States is clearly indicated by a sample study which was made in the agency on our intake for the months of January and February 1940. We found that during that 2-month period our new applicants came from 31 different States and Alaska. From the various States, about 15 percent came from Virginia, with slightly more than 11 percent from both North Carolina and New York, and slightly over 9 percent from both Maryland and Pennsylvania. Other States represented were: Connecticut, Georgia, Massachusetts, Oregon, Nebraska, Missouri, Tennessee, California, Illinois, Arkansas, New Jersey, Ohio, Michigan, New Hampshire, Louisiana, Alabama, Florida, Oklahoma, Indiana, Minnesota, South Carolina, Texas, West Virginia, Rhode Island, Delaware, and Colorado. The majority of the nonresidents under our care remained in the District for less than 3 months with comparatively few staying longer than 6 months.

In every instance the Travelers Aid Society considers each case on an individual basis and offers both the service and financial assistance best adapted to meet the need of the individual or family concerned. In working out plans, we are always appreciative of the help and cooperation of the Board of Public Welfare for their assistance with transportation funds, of the Salvation Army in allowing us to use their emergency home for the board and lodging of some of our white women, and of the Young Women's Christian Association for their reduced rate given us for our clents staying there; and of all the other agencies and individuals who are of assistance to us. Each situation is studied very carefully before any attempt is made to plan with the client either to remain here or to return to his home community, whichever place seems to offer him greater opportunity to make a satisfactory and permanent adjustment. The Travelers Aid Society has always taken the position that the moving people are a very important part of our population, and likewise we know that this group does get into difficulty and very often needs assistance. As we all know, the policy of "shipping people from one place to another" without some satisfactory constructive plan having been made for them upon their arrival only increases the problem of transiency. However, moving people are necessary to our national growth. The need of a mobile population for the development of our industries at the present time is self-evident. Traditionally, this country always has believed that people must be free to better themselves. Much of our existing settlement legislation has destroyed this right and thus has tended to place a premium on the courage and self-reliance of these people. Unfortunately, of course, there are instances when our limited financial resources make it necessary for a person to return to his home community, even though the plan worked out for him there is not as complete and encouraging as we might like. Then too, there are certain cases which we feel it necessary to reject entirely. This group includes those few chronic wanderers to whom we feel our service would be of no benefit, and that unfortunate group of persons who have no legal residence anywhere. With the increasing restrictions and residence barriers which are being set up by the various States, it seems to me that the group with no legal residence must be steadily increasing in number. Extremely harmful are those laws which include such terms as "self-support" and "intent" which may unfortunately be so misinterpreted that they work a grave injustice and hardship upon many people. For instance, one State refuses to accept or authorize the return of persons who may have lived there all of their life but who left "intending to stay away" because they felt they might be able to get work in some other community.

An excellent example of this is the Gray family. They were from a State nearby, and they came to the District where Mr. Gray had secured work. They sold what little furniture they had to pay their traveling expenses and living costs until the first pay day. Unfortunately, after they had been here less than a year, a business reorganization eliminated Mr. Gray. He was unsuccessful in finding other work, and so the family came to us. When we communicated with the State from which they came we were told that because the Grays had sold their furniture and stayed away 6 months, indicating they had not planned to return, they were no longer legal residents of that State. Thus their "intent" to remain away from their home State forced them into that group with no legal residence anywhere.

The Smith family was referred to the Travelers Aid Society because they were nonresidents and thus ineligible for service from any other agency in the District of Columbia, either public or private. Mr. Smith was 29, his wife 28, and they had three children of the ages 5, 4, and 2½. Mr. Smith had lost his position which had been a field-service job for some years. Thus they had been unable to stay in one place long enough to acquire legal residence. They had been away from the community in which they had originally lived too long to maintain their residence there. Consequently, the legal residence barriers raised against them by this city, in which they had been born and had lived until Mr. Smith was forced to leave to take the only available job, cost Washington and the Travelers Aid Society many dollars in food and lodging, medical and psychiatric care. Therefore, I would strongly recommend the enactment of uniform settlement laws in the United States which would do much, it seems to me, to alleviate the suffering and injustices of many present State laws, and such legislation would prevent the increasing in the future of that group of people with no legal residence anywhere.

However, I wonder if it would be "putting the cart before the horse" to some extent to think primarily in terms of a broad Federal program for "transients." Such a program might meet an existing need, but certainly it would not seem to offer a solution to the basic and fundamental problems which are the cause of transiency. It has certainly been the experience of the case workers in our agency that these moving people are not anxious to give up the security of their homes and established groups of relatives and friends in the community in which they have always lived. They are forced to do so in many instances by lack of adequate resources there. Consequently, adequate resources for the residents, not only for the District of Columbia, but for all of the communities in the United States, is an important part of the problem. If adequate resources for residents were available, many people who now migrate from one place to another would no longer do so. Failure and delay by many agencies all over the country in acknowledging responsibility for their residents who are here in Washington has created a serious problem. If these out-of-town agencies had sufficient funds and adequate programs to meet the needs of their residents, that group of people would not be a nonresident problem for the District of Columbia, and the same situation is true in other parts of the country.

I would also like to suggest that more complete and accurate information about employment opportunities of all sorts in every part of the country, and a better method of exchanging this material be made available. Thus many of the people who now feel forced to leave their home communities, to look hopefully yet aimlessly for employment elsewhere, would have some definite idea of how this might be obtained and thus some adequate plan worked out before they left home. I feel that in the District of Columbia the nonresident problem is not such as to warrant "mass treatment" of the nature of a broad Federal transient program. If more specific information were available to the workers about the supply and demand for various types of labor all over the country, and if adequate care could be made available for residents in all communities, the transient problem here, with the exceptions of the single or unattached men and those people with no legal residence anywhere, could be better handled in my opinion by the individualized services of a private agency such as the Travelers Aid Society which could be much more flexible than those of a public agency program. While complete information on the extent of the problem in the District of Columbia does not seem to be available, it is my feeling that most of that "unknown area" is made up of unattached men, such as those staying in the missions and various other shelters. As far as the girls, women, boys 17 and under, couples and families are concerned, I think the Travelers Aid Society has been fairly well able to meet that need. However, it does seem that a more adequate municipal lodging house for men, especially one with some facilities for the care and segregation of boys would be very helpful. It has always been the function of the Travelers Aid Society to offer service and material assistance to this group of nonresidents and our case workers have developed a unique skill for dealing with moving people. The problems of migrant families are almost always emergencies and thus are often more acute than those of resident families. Consequently, it seems almost obvious that the "mass treatment" and necessary inflexibility of a public agency program with legal restrictions is less adaptable and thus less well able to work out individual satisfactory adjustments which would be permanent. Of course, to ultimately decrease the transient problem rather than increase it, such stabilization and permanent adjustments are essential. Nevertheless, there seems to be a need for some type of program, probably with Federal aid, to assist all of the homeless unattached men, those people with no legal residence anywhere, and that group of habitual transients or "chronic wanderers." I believe it is the responsibility of the public agency to provide for these groups, with the other nonresidents being cared for by private case work agencies such as ours.

NOTE.—We regret that we failed to mention above the inestimable value of the help which we have always received from the railroads and other transportation companies.

STATEMENT OF MAJ. CHARLES H. DODD, DIVISIONAL COMMANDER, THE SALVATION ARMY, NATIONAL CAPITAL DIVISION, WASHINGTON, D. C.

ORIGIN OF THE SALVATION ARMY

The Salvation Army came into being in the year 1865 in London, England. Its founder was William Booth.

It has grown in three-quarters of a century from a small mission in London's East End into an international body of some 5,000,000 members operating in 97 countries and colonies.

PROGRAM

Of particular interest are those aspects that enlarged its purpose from the original design of religious reclamation to a full and many faceted program of social service.

The National Information Bureau of New York in a study entitled, "Social Salvage," described the Salvation Army as a "religious body which has an important social program, a program, however, which is fundamentally spiritual in its aim."

Included in the varying phases of program are these: Spiritual, recreation, and character building, family welfare service, fresh-air camps, homes and hospitals (for unmarried mothers) working men's hotels, men's social service centers (sheltered workshops) and care of transient (men and women).

FINANCES

The financial support for these activities is provided in various ways: Dues, fees for service, donations, community chest and home service funds (campaigns for budget needs) in the communities served by the organization.

LOCAL BRANCH

The Salvation Army has been in Washington approximately 55 years and the local program includes the administrative center from which are operated a family service bureau, women's and children's emergency home, and a fresh-air camp.

In addition to the above there are five corps or neighborhood centers from which are carried on a religious, recreational, and character-building service, also a low-priced hotel for colored working men and a men's social service center (sheltered workshop).

DIVISION OF RESPONSIBILITY

In the city of Washington each of the agencies who are members of the community chest and the Council of Social Agencies accept responsibility for service in their particular field.

In the field of the homeless, the Salvation Army has responsibility for care of women and children and for homeless men (in sheltered work shop) up to the capacities of the institutions serving these groups, 15 and 98, respectively.

The Traveler's Aid, the nonresident section, municipal lodging house (both under Board of Public Welfare), the Central Union and Gospel Missions, and the Volunteers of America also render service in this field.

Prior to the Federal Transient Service, 1933–35, the Salvation Army rendered a large and effective service for transient men, financed by the community chest. However, with the coming into existence of the Federal service, the Salvation Army program was liquidated. Later the Government ceased operations in this field.

Due to the fact that local needs were not being met adequately the community chest decided that it could not provide funds for the Salvation Army to carry on a transient service, as it had done prior to 1933. Consequently since 1935 there has been very inadequate provision for care of migrants (men).

During the past winter despite the best efforts of the Salvation Army, nonresident service, municipal lodging house, Central Union Mission, Gospel Mission, and Volunteers of America there is reason to believe that large numbers of homeless men were forced into police stations, floors of missions, hallways, grates over furnace rooms of buildings (in the shadow of the Capitol) because there was no adequate care facility in Washington.

CHARACTER OF MEN

Many of these men, from interview and check of record, are not bums and tramps, not even hobos as we used to know them, but are "men on the move" looking for employment, who, given the opportunity, would settle down and, it is believed, make useful citizens.

In every community you will find them and as each community has within its gates men of another community so is it the responsibility of that community to care for them.

LOCAL PROCEDURE

If a man makes application to an agency in Washington, if it can be established that he has legal residence in some city and he is willing to return to that place, he is referred to the nonresident section of the Board of Public Welfare; if, however, he has no legal residence or for some reason does not desire to return to it, then he is not eligible for service in this division.

He may be referred to the Salvation Army social service center and if the institution has an opening he can be placed otherwise he must go to the Volunteers of America or the missions and if, as on many occasions these agencies are full, then such a person is faced with the necessity of sleeping out, panhandling the price of a bed or being picked up by the police as a vagrant.

Actually at night there is no place to which a man can be referred and one know he will be cared for.

RECOMMENDATIONS

1. Because of the vicious practices in many jurisdictions, particularly as they relate to settlement laws—it is hoped that this committee will use its influence in promoting uniform settlement laws throughout the Nation.

2. Due to (*a*) the presence in every community of the citizens of some other community for whom care must be provided (*b*) the fact that States are unable to maintain adequate standards of relief (materially adding to transciency) without the assistance of the Federal Government.

That provision be made for a grant-in-aid program by the Federal Government to States rather than the entire responsibility being shouldered by the Federal Government.

3. That locally, because of inadequate provision which forces men to sleep out, panhandle, etc., all dangerous and a menace to the community, a municipal lodging house with case work and medical services included, sufficiently large to meet the need, is recommended.

The CHAIRMAN. The committee will stand adjourned until 10 o'clock Monday morning.

(Whereupon, the committee adjourned to meet on Monday, December 2, 1940, at 10 a. m.)

INTERSTATE MIGRATION

MONDAY, DECEMBER 2, 1940

House of Representatives,
Select Committee to Investigate the
Interstate Migration of Destitute Citizens,
Washington, D. C.

The committee met at 10 a. m. in the caucus room, House Office Building, Washington, D. C., Hon. John H. Tolan (chairman) presiding.

Present: Representatives John H. Tolan (chairman), John J. Sparkman, Carl T. Curtis, and Frank C. Osmers, Jr.

Also present: Robert K. Lamb, chief investigator; Henry H. Collins, Jr., coordinator of hearings: Creekmore Fath and John W. Abbott, field investigators; Ariel V. E. Dunn and Alice M. Tuohy, assistant field investigators; Irene Hageman, hearings secretary; Richard S. Blaisdell, editor; Harold D. Cullen, associate editor.

The Chairman. The committee will please be in order.

TESTIMONY OF RONNELL LYNCH, CHERITON, VA.

The Chairman. I do not suppose that you are accustomed to talking in the loud speaker, Mr. Lynch.

Mr. Lynch. No.

The Chairman. Well, I am sure you will get along all right. Will you give the reporter your full name and address?

Mr. Lynch. Yes. Hurcles Ronnell Lynch.

The Chairman. Where do you live?

Mr. Lynch. Cheriton, Va.

The Chairman. And where were you born?

Mr. Lynch. In Hickman County, Tenn., in 1913.

The Chairman. What did your father do?

Mr. Lynch. He was a farmer and worked in timber, both.

The Chairman. And did you farm with him?

Mr. Lynch. No; I was not big enough then. He has been dead quite a time.

The Chairman. How much schooling did you have?

Mr. Lynch. The eighth grade.

The Chairman. Are you married?

Mr. Lynch. Yes.

The Chairman. How many children do you have?

Mr. Lynch. Four.

The Chairman. Four children. How old are they?

Mr. LYNCH. One is 8 years old now; the next one is 5. One is 3 and the other about 7 months old.

The CHAIRMAN. And where do you live now?

Mr. LYNCH. Cheriton, Va.

The CHAIRMAN. What is your occupation; what do you do for a living?

Mr. LYNCH. Farm work.

The CHAIRMAN. What kind of farm work?

Mr. LYNCH. Raising vegetables.

The CHAIRMAN. What kind of vegetables?

Mr. LYNCH. Well, broccoli, spinach, and lettuce.

The CHAIRMAN. Are you farming for yourself?

Mr. LYNCH. No.

The CHAIRMAN. For whom are you working?

Mr. LYNCH. G. L. Webster.

The CHAIRMAN. How much money do you make?

Mr. LYNCH. It is about $8 a week, I guess.

The CHAIRMAN. Did you ever pick any peanuts?

Mr. LYNCH. In Tennessee I have; yes.

The CHAIRMAN. Where in Tennessee?

Mr. LYNCH. Hickman County.

The CHAIRMAN. Did you pick them by hand?

Mr. LYNCH. No; they had threshers when I got big enough to work; we threshed them.

The CHAIRMAN. How much did you earn a day?

Mr. LYNCH. About a dollar a day.

The CHAIRMAN. And how long did you work picking peanuts?

Mr. LYNCH. Three or four years, I guess.

The CHAIRMAN. What did you do after you were grown up?

Mr. LYNCH. I did a little bit of everything; I cut logs; some work on the farm; most of the time worked on the farm. And I worked on the W. P. A. a little.

The CHAIRMAN. You were born in Virginia and went to Tennessee, did you?

Mr. LYNCH. No; I was born in Tennessee.

The CHAIRMAN. You were born in Tennessee and went to Virginia?

Mr. LYNCH. Yes; and I have been there about a year.

The CHAIRMAN. Have you ever been in any other States besides Virginia and Tennessee?

Mr. LYNCH. No.

The CHAIRMAN. How old were you at the time you were married?

Mr. LYNCH. I was 18 in July.

The CHAIRMAN. How old was your wife?

Mr. LYNCH. She was 16, I believe, in July.

The CHAIRMAN. Is your wife's father a farmer?

Mr. LYNCH. Yes.

The CHAIRMAN. He was a tenant farmer?

Mr. LYNCH. Yes.

The CHAIRMAN. Did you ever pick any cotton?

Mr. LYNCH. Yes.

The CHAIRMAN. Where?

Mr. LYNCH. Obion County, Tenn.

The CHAIRMAN. How much did you make a day?

Mr. LYNCH. According to how much I picked.

The CHAIRMAN. Did your wife ever pick cotton with you?

Mr. LYNCH. Yes.

The CHAIRMAN. What did the two of you average a day, you and your wife?

Mr. LYNCH. Well, in good cotton we could make a dollar and a half a day, I guess.

The CHAIRMAN. Where were you living at that time?

Mr. LYNCH. We were living on Reelfoot Lake, Obion County.

The CHAIRMAN. What kind of a house?

Mr. LYNCH. Oh, just a medium house.

The CHAIRMAN. How many rooms?

Mr. LYNCH. Two.

The CHAIRMAN. Any children at that time?

Mr. LYNCH. When we picked cotton none of them stayed at the house; they would go into the field with us.

The CHAIRMAN. Where did you live after you were married, after you finished the cotton-picking work; did you move to some other place?

Mr. LYNCH. When my house burned down I did; I moved to Obion; that was in the same county.

The CHAIRMAN. Did you own the house?

Mr. LYNCH. No; it was rented.

The CHAIRMAN. How much rent did you pay?

Mr. LYNCH. Four dollars.

The CHAIRMAN. Four dollars a month?

Mr. LYNCH. Yes; one room.

The CHAIRMAN. One-room house?

Mr. LYNCH. Yes.

The CHAIRMAN. Did it have any bath?

Mr. LYNCH. No.

The CHAIRMAN. How many children did you have then?

Mr. LYNCH. We had two. The others were born after I left Lake County.

The CHAIRMAN. You lived in one room?

Mr. LYNCH. Yes.

The CHAIRMAN. How many beds did you have?

Mr. LYNCH. We had two.

The CHAIRMAN. Did you own your own furniture?

Mr. LYNCH. Yes.

The CHAIRMAN. What did it consist of; what kind of furniture did you have?

Mr. LYNCH. We just had two beds, a stove, and a table and chairs.

The CHAIRMAN. Did you have a farm of your own in Tennessee?

Mr. LYNCH. No.

The CHAIRMAN. You never had a farm of your own?

Mr. LYNCH. No.

The CHAIRMAN. Did you ever work as a sharecropper?

Mr. LYNCH. Yes.

The CHAIRMAN. Where?

Mr. LYNCH. Obion County; the same county.

The CHAIRMAN. How much did you make at that time?

Mr. LYNCH. Oh, just a bare living, I guess.

The CHAIRMAN. When you moved from Tennessee to Virginia, how did you go; did you have a truck or automobile?

Mr. LYNCH. No; I came by bus.

The CHAIRMAN. What did you pay for your transportation?

Mr. LYNCH. About $11, I think.

The CHAIRMAN. Have you ever been on relief?

Mr. LYNCH. Yes; I was on about 2 months, I guess, or maybe a little less.

The CHAIRMAN. In what State?

Mr. LYNCH. Tennessee.

The CHAIRMAN. How much did you receive?

Mr. LYNCH. I really couldn't say; I have not kept account of it.

The CHAIRMAN. Do you remember?

Mr. LYNCH. No; I don't remember.

The CHAIRMAN. Now as a sharecropper what did you earn; about a dollar a day?

Mr. LYNCH. About a dollar a day, I guess.

The CHAIRMAN. Were you able to save anything on that?

Mr. LYNCH. No.

The CHAIRMAN. What did you do the rest of the time you were not working as a sharecropper?

Mr. LYNCH. Not much of anything.

The CHAIRMAN. How did you live?

Mr. LYNCH. Well, I cannot tell you; just managed, when I was working, to prepare for when I was not working.

The CHAIRMAN. Well, take the last 5 years for example, how much time did you have employment or work?

Mr. LYNCH. I guess 3 months a year.

The CHAIRMAN. About a year?

Mr. LYNCH. You mean altogether?

The CHAIRMAN. Yes.

Mr. LYNCH. A year and a half, I guess.

The CHAIRMAN. A year and a half, all told?

Mr. LYNCH. Yes.

The CHAIRMAN. How did you support yourself and your family during the rest of the time?

Mr. LYNCH. I could not tell you; just managed during the time I was working to put a little back, get a few groceries ahead; raised some of it.

The CHAIRMAN. During all of that time when you were not employed were you looking for work?

Mr. LYNCH. Yes; if I could find anything, I wanted to work at it.

The CHAIRMAN. Did your relatives help you?

Mr. LYNCH. No.

The CHAIRMAN. They were not supporting you?

Mr. LYNCH. No.

The CHAIRMAN. Much of the time you did not have work?

Mr. LYNCH. Yes.

The CHAIRMAN. That is what I would like to develop: How did you live if you were not living with your relatives; how did you support yourself, babies and wife?

Mr. LYNCH. Well, when we were picking cotton, for instance, we tried to lay back a little flour and lard and fuel, and stuff like that, to live on in the winter until work picked up in the spring.

The CHAIRMAN. Since you were married how many times have you moved?

Mr. LYNCH. About four times.

The CHAIRMAN. What are you doing now?

Mr. LYNCH. Working on a farm.

The CHAIRMAN. Where?

Mr. LYNCH. Cheriton, Va.

The CHAIRMAN. How much are you earning there?

Mr. LYNCH. Average about $8 a week.

The CHAIRMAN. How long have you been employed there at $8 a week?

Mr. LYNCH. I have been there since last November, this November a year ago.

The CHAIRMAN. Where you live do you own the house? What kind of a house?

Mr. LYNCH. No; it is a pretty fair house; rented house.

The CHAIRMAN. Can you support yourself and wife and three or four children on $8 a week?

Mr. LYNCH. Well, we have been getting by with it.

The CHAIRMAN. You have just been getting by?

Mr. LYNCH. Yes.

The CHAIRMAN. Do you pay any rent?

Mr. LYNCH. Yes.

The CHAIRMAN. How much rent do you pay?

Mr. LYNCH. There is another man living with us; we pay $5 each; there two of us living in the house.

The CHAIRMAN. Has he a family?

Mr. LYNCH. He is related to my wife.

The CHAIRMAN. He pays $5 a month?

Mr. LYNCH. Yes.

The CHAIRMAN. And you pay $5 a month, making $10?

Mr. LYNCH. Yes.

The CHAIRMAN. That leaves you about $27; you say you make $32 a month?

Mr. LYNCH. Yes.

The CHAIRMAN. After you pay the rent you have $27?

Mr. LYNCH. Yes.

The CHAIRMAN. With which to clothe you and wife and children and feed them; on $27 a month; is that right?

Mr. LYNCH. Yes.

The CHAIRMAN. You live on Eastern Shore of Virginia?

Mr. LYNCH. Yes; I live there now.

The CHAIRMAN. What do you do there; what are you doing on Eastern Shore of Virginia; what kind of work?

Mr. LYNCH. I drive a truck.

The CHAIRMAN. What?

Mr. LYNCH. Drive a truck on the farm, a tractor.

The CHAIRMAN. Drive a tractor?

Mr. LYNCH. Yes.

The CHAIRMAN. Are there many people there employed in the canneries?

Mr. LYNCH. Yes; right many.

The CHAIRMAN. Where do these people come from?

Mr. LYNCH. Different sections of the country, just like myself.

The CHAIRMAN. They were mostly neighbors of yourself?

Mr. LYNCH. Several of them were; there were 12 or 15 families, I guess.

The CHAIRMAN. How much do they make in the canneries?

Mr. LYNCH. Oh, just about the same; all about the same.

The CHAIRMAN. How much?

Mr. LYNCH. It is about the same work as on the farm.

The CHAIRMAN. About how much would that be?

Mr. LYNCH. Oh, about $8 a week, I guess.

The CHAIRMAN. Do many people come there to do that?

Mr. LYNCH. Yes; several people.

The CHAIRMAN. What kind of canneries are they?

Mr. LYNCH. They can broccoli, spinach, and peas.

The CHAIRMAN. How long does that season last?

Mr. LYNCH. Well, it lasts about 2 or 3 or 4 weeks; perhaps 4 weeks.

The CHAIRMAN. And when the work is finished there do those people go elsewhere?

Mr. LYNCH. Some of them do; some of them just keep working on the farm and others go elsewhere, but they can work there if they want to.

The CHAIRMAN. Where do they live; in houses?

Mr. LYNCH. Yes.

The CHAIRMAN. Where do they get the houses?

Mr. LYNCH. Some of them rent houses in Cheriton; some of them live on the land where the fellow who raises the crop, Mr. Webster, lives.

The CHAIRMAN. What kind of houses are they?

Mr. LYNCH. Oh, just common tenant houses.

The CHAIRMAN. Just common tenant houses?

Mr. LYNCH. Yes.

The CHAIRMAN. One or two rooms, and so forth?

Mr. LYNCH. Some of them have four or five rooms, and even six rooms.

The CHAIRMAN. Are your parents living?

Mr. LYNCH. No.

The CHAIRMAN. Are your wife's parents living?

Mr. LYNCH. Yes.

The CHAIRMAN. Where do they live?

Mr. LYNCH. They are living in Missouri now.

The CHAIRMAN. On a farm?

Mr. LYNCH. Yes.

The CHAIRMAN. Are there a good many families in that section from other places?

Mr. LYNCH. You mean in Virginia?

The CHAIRMAN. Yes.

Mr. LYNCH. Yes; there are about 12 or 15 families from Tennessee, I guess.

The CHAIRMAN. What did they use for transportation to get there from Tennessee?

Mr. LYNCH. Well, some of them in cars, some of them by busses, and some of them by train.

The CHAIRMAN. Do most of these people have families?

Mr. LYNCH. Yes; most of them.

The CHAIRMAN. Large families?

Mr. LYNCH. About like my family.

The CHAIRMAN. Average about four children?

Mr. LYNCH. Yes; about three or four children.

The CHAIRMAN. Do you feel that it was a good thing for you to move from Tennessee to the Eastern Shore of Virginia?

Mr. LYNCH. Well, I believe I bettered myself some.

The CHAIRMAN. Why did you move?

Mr. LYNCH. Well, I just felt like I could get a little more to do, a little more work, and maybe average a little more in the year.

The CHAIRMAN. In other words, Mr. Lynch, you are just like thousands of others; there comes a time when they cannot make a go of it where they are living.

Mr. LYNCH. It looks that way.

The CHAIRMAN. And rather than starve, you would move?

Mr. LYNCH. Hunting for something to do; yes.

The CHAIRMAN. Would you rather have remained right where you were on the farm if you could make a go of it?

Mr. LYNCH. Yes.

The CHAIRMAN. In other words, you would rather not move, would you?

Mr. LYNCH. No.

The CHAIRMAN. Some people seem to think that other people just pick up and move because they like to do it.

Mr. LYNCH. Yes.

The CHAIRMAN. But I have not found a man on the farm who would not rather own his own farm, or remain on a farm if he could make a living.

Mr. LYNCH. I would rather be back there if I could make a go of it.

The CHAIRMAN. If you could make a living.

Mr. LYNCH. Yes; if I could make a go of it, I would rather be back on the farm.

The CHAIRMAN. Well, what do you intend to do now; do you intend to try to improve on that $8 a week; do you intend to stay where you are?

Mr. LYNCH. I expect so this year.

The CHAIRMAN. I suppose it is your hope that you and your family have a little farm of your own some day?

Mr. LYNCH. I hope so.

The CHAIRMAN. Thank you very much for coming here.

TESTIMONY OF H. R. TOLLEY, CHIEF, BUREAU OF AGRICULTURAL ECONOMICS, DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

Mr. Osmers. Will you please state your name and official position for the record?

Mr. Tolley. Howard R. Tolley, Chief, Bureau of Agricultural Economics.

The Chairman. I understand that you have prepared a statement which I am going to ask, with the permission of the committee, to be placed in the record and request you to give us a summary of it.

Mr. Tolley. I will be glad to do that.

STATEMENT BY H. R. TOLLEY, CHIEF, BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE

Potential Migration as a Problem of American Agriculture

Wandering the highways of the Nation today are hundreds of thousands of farm families, homless migrants who are attempting to make their living as seasonal laborers in agriculture. These are the Joad families, dramatized in The Grapes of Wrath; destitute farm people who in recent years have been uprooted from the land by droughts, depression, changing economic conditions, and the rapid advances of agricultural mechanization and technology.

In a very real sense, these people are the economic and social casualties of changes which have come to our whole society; changes with which the individual acting alone is powerless to deal. Displaced in agriculture, and lacking both the means and the opportunity of starting anew in different locations, the migrants have found in late years that agriculture had no place of security for them. At the same time, the depression had reduced the opportunities for employment in the cities.

The great increase in the number of migratory agricultural workers within the last decade or so is a reflection of the fact that opportunities in other lines of activity seemed lacking. Today these people are wandering from one job to the next, sometimes traveling hundreds of miles to get a few days' work. Their wages are low. Employment is sporadic and uncertain. Deplorable conditions of housing and sanitation are the usual characteristics of migrant life, and poor health and poor educational advantages go hand in hand with it. These conditions are not alone the problems of the migratory workers themselves, but also are of great concern to the local communities and States affected, as well as to the Nation as a whole.

POTENTIAL MIGRATION FROM RURAL AREAS

Your committee has already obtained much data on the conditions of these migrants, and so it is my purpose to speak of another aspect of the problem—that of potential migration in agriculture. The displacement of farm people in agriculture and the lack of opportunities for them on farms and in cities are the causes underlying the increase in the number of migratory agricultural workers in the last decade. The same or similar conditions, as they occur in the future, can reasonably be expected to produce additional migration, and thus contribute to a continuation of the conditions being considered. For this reason, the problem of potential migration is very properly a part of the problem of present migration. Measures and policies designed to deal with the conditions of present migration, therefore, should aim also at those of potential migration.

The importance of this consideration is demonstrated by the fact that the numbers of migratory workers in agriculture appear to be growing, rather than declining, and there are indications that there may be a continuous growth in the number of persons seeking employment of this type because of the lack of alternatives. This is simply saying, of course, that an adequate consideration of the problem of agricultural migration must take into account the sources of migration and its causes, and that steps toward dealing with the problem should attack not only the result, which are the conditions affecting present migratory workers, but also must get at the causes of distress migration.

The population and income figures for farm families point to the seriousness of the potential migration in agriculture, for it is by these that we can see most clearly the extent of the lack of opportunities offered for farmers of the future.

COMMERCIAL AGRICULTURE NOT PROVIDING FOR ALL FARMERS

At present, there are about 32,000,000 people living on American farms. According to a recent estimate, the farm land of America could meet the commercial demands for all our food and fiber, both for domestic consumption and export, with less than half the present farm population. As long ago as 1929, half the farmers of the Nation produced 90 percent of all marketed crops, and today, with the introduction of a few available technological improvements, half the farm population could produce much more than the market now absorbs at prices the farmers are willing to accept as reasonable. As the techniques of production develop further, and as the market for our agricultural exports is more and more restricted by the increasing international emphasis upon self-sufficient nationalism the proportion of our present farm population required to produce for commercial markets is likely to decrease rather than to increase. Under present conditions, the so-called normal requirements in farm production, both for domestic and foreign outlets, can be met with at least 1,600,000 fewer workers on farms than we had in 1929. In speaking of normal requirements, we refer to the amounts now being consumed, rather than the amounts which might be consumed.

Of course, we cannot afford to lose from the farms anything like half of the people now located there, even if for no other reason than the absence of a better place for them to go. Continuous migration from farms to the cities is apparently an established characteristic of industrial-agricultural nations, but it would be difficult to set a figure at which this migration should be maintained, especially in periods like the 1930's. The figures given do show, however, that our present system of commercial agriculture cannot provide satisfactory incomes and living conditions to a full half of our farm people. This immediately raises a whole host of questions regarding the ultimate future of our agricultural system. Those questions must go unanswered at this time.

The lower-income half of the Nation's farm population—more than 3,000,000 families—now have abnormally low incomes and levels of living. Many of them are trying to eke out existences on gross cash incomes averaging $200 to $300 per family annually, or less. More than a million of these families were on relief in 1935. More than 1,500,000 men on farms were totally or partially unemployed in the fall of 1937. It is evident that the number of those in the lower-income group is increasing, with each year many more men and boys likely to be looking for opportunities on the land. Accruing to this group also may be an additional 350,000 to 500,000 workers displaced during the next 10 years because of mechanization in agriculture.

NUMBERS OF WORKING AGE ON THE INCREASE

Moreover, there is a continual addition to the number of people of working age on farms. If we consider only those youths between 15 and 25 years of age, there are probably about 7,000,000 living on farms today. It is significant that there are about 1,167,000 of them who would not be in the farm population at all if industrial and commercial opportunities had been relatively as inviting in the last decade as they were in the twenties.

Two other important facts are: First, there are just about twice as many youths in the farm population as are needed for replacement in agriculture; and, second, they are in greater surplus in areas of low agricultural opportunity than they are in areas of relatively favorable agricultural opportunity. Even if industrial employment should increase because of the defense program to the extent that is now predicted, it cannot be assumed that our unemployment problem, either on the farms or in towns or cities, will be completely eliminated within the immediate future.

If, in addition to the farm operators who will die in the next 20 years, every farmer who reaches 65 years of age would retire, the farms they would vacate would make room for about 2,700,000 beginning farmers. During the same 20 years, 6,000,000 boys now living on American farms will have reached 20 years of age. If they all try to enter farming, there will be 225 young men competing for every 100 farms available. We, of course, know that not all of them will want to or try to enter farming and that some persons now in agriculture will leave for other occupations and professions. But we also know that all farmers won't retire at the age of 65, and we know that there are persons leaving towns and cities every year seeking to enter agriculture.

COMPETITION FOR PLACES ON THE LAND

In the areas of low economic opportunity the picture is still darker. If we apply these same calculations to the Southern or Cotton Belt States, we will see that there will be 300 applicants or competitors for every 100 farms. If we apply them to the southern Appalachian Mountain area, there will be about 350 for every 100 farms. Even if we apply them to Iowa, we estimate there will be 180 competitors for every 100 farms.

The regions with the greatest rate of natural increase in population include the Appalachian highlands, large sections of the Cotton Belt, the Lake States' cut-over areas, the Great Plains, and the Southwest. These are the poorest agricultural areas of the Nation; the areas of most limited land resources, fewest opportunities for nonagricultural employment, and, except in the Appalachians and the Great Lakes cut-over, the areas most severely affected by the increase in mechanization, the loss of foreign markets, and the reduction of manpower requirements on farms.

On account of their high birth rates and limited resources, in these regions alternative opportunities must be found or a steady flow of population must be kept moving from them if the overcrowding of the land is to be avoided. The lack of employment opportunities in the cities in the last decade has served to back up the population on the land in rural areas and has created what is now a giant reservoir of potential migrants. Droughts, depression, mechanization, and the other forces acting to displace farmers, have in reality forced a large amount of distress migration from many parts of the country, although the total migration from farms has been much less during the last decade than was the case in the decades immediately preceding. It is from the areas with the greatest rate of natural increase that most of the present migrants in agriculture and industry are coming. It is from these that the principal volume of migration can be expected in the future.

MIGRATION ITSELF NOT AN EVIL

The problems being encountered by the migrant worker in agriculture, as well as by rural people who leave the farms to seek employment in the cities, are no evidence at all of any fundamental evil in migration itself. For rural areas of dense population, limited resources, and high birth rates, outward migration is a positive and continuous necessity. It is not migration itself that is to be deplored in connection with the present living conditions of migratory agricultural workers, but the unguided, aimless type of migration that has occurred.

Millions of farm people have found genuine opportunities for self-advancement and for service to the Nation in their migrations from farms to cities during the period when a growing industry required a large volume of additional labor. The shutting down of foreign immigration during the World War meant that American industries had to draw people from the farms, and especially from the South, where half of the farm population lives. The surge of farm migration to the cities was repeated during the 1920's when legislation shut off the influx of foreign immigrants. During the 1920's something like 6,000,000 people were the net contribution of the farms to the cities. The experience of these migrants indicates, on the whole, that their migration was highly desirable, both from the individual and the social view. The principal difference between the migration of the 1920's and the migration of the people who are now migratory agricultural workers seems to lie partly in the difference between the opportunities available then and now and partly in a lack of a fortunate choice as to occupation and location.

It is possible that those now in the ranks of migratory farm workers might have found much better opportunities elsewhere, either in cities or in other farming areas, if proper information and guidance as to opportunities had been available to them. Even if we grant that a part of them could not make a better choice of occupation and location, however, it is true that the present aimless wandering of migrant farm workers could be reduced materially through some system of providing them information and guidance as to the needs for their services. As matters now stand, these workers are covering long distances in search of work, traveling mainly on the basis of rumor and hearsay, and frequently finding that no work is available when their destinations are reached.

Unquestionably there is a need in agriculture for the services performed by migrant farm workers, but it is probable that many of those workers would not be needed to harvest the present crops if some plan were developed for keeping the workers more closely in touch with the farm operators who need their services. Such an information and guidance service for those workers would unquestionably bring them greater net incomes and steadier employment.

CHANNEL FOR FREE FLOW OF MIGRATION SHOULD BE KEPT OPEN

It is an economic fact that goods in commerce usually congregate at the points of greatest demand, but this applies less strongly to human beings, for people sometimes do not respond fully to the law of supply and demand. This is a problem partly caused by lack of information and guidance as to the location of opportunities. Today more than ever before it is important that we encourage the easy flow of our migrant population to the areas of better opportunities, whether in agriculture or in industry.

ADVANTAGES OF NONFARM EMPLOYMENT FOR MIGRANTS

For the migrant who lacks financial resources sufficient to enable a fresh start on advantageous terms on a farm in an area new to him, the advantages of nonfarm employment, if obtainable, are beyond question. This is particularly true for the young people of rural areas who find it necessary to migrate. Too often, under the conditions of uninformed and unguided migration in the past, there appears to have been a tendency to choose occupations and locations upon a basis of inadequate or misleading information. For instance, many young people have decided to become migrant farm workers in California, rather than go to a nearby city in search of work, simply because they had been told of friends, or the relatives of friends, who had been unable to find work in the city. An adequate system of providing information on the employment opportunities in various cities, especially if coupled with some type of placement service, would be of great value in eliminating difficulties of this kind.

The belief that full industrial employment would provide a major remedy for the problems of excess population in agricultural areas has frequently been expressed. I quote from the remarks of former Secretary of Agriculture Henry A. Wallace before the Fifth National Conference of Labor Legislation in 1938:

"Restoration of full employment," he said, "would provide work and livelihood for these farm sons and daughters as well as increased demands for the food and clothing produced by their parents. Expansion of industrial employment and absorption in industry is the only real and lasting solution for the over-populated rural slums, for the tens of thousands of excess transient farm laborers of the Pacific coast, and for the thousands more of farm hands and tenants being squeezed out monthly by the steady increase of general-purpose tractors in the Midwest and Southwest. All our programs of action should work toward the basic objective of full employment and of full-balanced production, agricultural and industrial."

The increase in farm population underway during the past few years may be checked, and there may be a slight decline in the next 2 years. Conscription will not make a very heavy draft upon the farm population, but it will withdraw some labor and population from farms. Increased industrial activity will stimulate the flow from the farm to the city. This movement may prove to be a little greater than the annual natural increase in farm population.

DEFENSE ACTIVITIES TO DRAW WORKERS FROM FARMS

Conscription may possibly draw 150,000 persons from farms in 1941, and the net migrations from farm to city may increase by as much as 350,000 between 1939 and 1942. If this were realized, the result probably would be a slight decline in number of persons on farms.

This does not promise much improvement in living conditions on the farm. It promises some increase in income, but also an increase in probable living expenses. It promises the withdrawal of some surplus labor, and this will, of course, tend to increase the income of farm families from sources other than agriculture. Some net gain seems likely to be realized through this channel. It should also be observed, of course, that there are likely to be significant differences in different parts of the country. These conditions promise great improvement in States or areas such as West Virginia, Pennsylvania, and New England, where a considerable part of the income to families living on farms is derived from outside the farms. Farmers in livestock and dairy-producing areas will also realize not only a considerable improvement in income but also some improvement in purchasing power. The farm families engaged primarily in producing cotton, tobacco, and a few other special products that must be exported may have their real incomes reduced. Living conditions in these areas may be ameliorated to some extent by the drawing off of surplus population and by the return of some income from the outside to those remaining in the areas.

Basically, however, the defense crisis deepens our concern over the maladjustment between population and opportunity in agriculture. Contrary to some impressions, expressed and implied, the defense programs do not promise to relieve all of the pressure upon opportunity in rural areas by drawing farm people into nonagricultural pursuits.

There may be some employment for the rural unemployed. The defense program is concerned with the vast reserves of manpower lying unused in rural areas, and the location of certain defense industries may be determined by the existence of these reserves. But it is expected that the defense program may pass its peak of employment within a few years. Therefore, unless steps are taken to encourage farm people who obtain defense employment to spend some part of their defense earnings in farm improvements during their employment, the aftermath of the employment speed-up may be deepened distress for all who have been unable to make a permanent transition to nonfarm status.

Looking beyond the defense crisis, there appears little likelihood that the basic maladjustment of population to land resources will be significantly altered by the defense program. The same forces will be still at work, and the problems will require continuous adjustments of many kinds before we can work out a settled and well-adjusted agricultural economy.

POSSIBILITIES OF SETTLING UNDEVELOPED LAND VIEWED

One of the most promising adjustments toward this end, it should be pointed out, might be a public effort to guide and assist farm migrants in settling upon potentially good, but undeveloped, farm land now available in certain areas such as the Mississippi Delta and the Pacific Northwest. It is conservatively estimated that the Mississippi Delta contains at least 5,000,000 acres of fertile, but poorly drained, undeveloped cut-over land, which is potentially good land for agricultural use and settlement. If properly developed, this land would provide settlement opportunities for 62,500 families on 80-acre farms, or for 125,000 families on 40-acre farms. It is probable, in fact, that these opportunities in the Delta are somewhat better than the above figures indicate.

In the Columbia River basin in the Northwest, it is estimated that the Grand Coulee Reservoir will supply irrigation water sufficient for 1,200,000 acres of agricultural land. The Pacific Northwest Planning Commission estimates that, in the four Pacific Northwest States of Washington, Oregon, Idaho, and Montana, there may be opportunity for development of as many as 150,000 new farms.

These and other areas of possible future agricultural development offer real opportunities for easing the pressure of population upon the land in overcrowded farming areas, and for taking care of future migrants. It should be emphasized, however, that settlement of these lands must be made upon a basis of family sized, owner-operated farms, if their maximum benefits are to be realized in terms of maximum population opportunities. It has been suggested, in fact, that in order to realize the full opportunities, all future settlement upon new-ground farms and reclamation project areas should be confined to units of this type, and that provision should be made for perpetuating this pattern of ownership and use.

NUMBER THAT CAN BE ABSORBED IN INDUSTRY DOUBTFUL

It is easy to say that industrial jobs are the answer as to how we can obtain the adjustment of farm population to rural resources, but under present conditions of education in rural areas, there is a very practical doubt as to the number of rural people that can be absorbed in modern industry. This is particularly true in many of the industries, where high degrees of skill and education are necessary.

As a rule, the types of training available to students in rural schools do not materially aid the student in fitting himself for industrial work, or even help him in understanding the problems and conditions of urban industrial life. Farm youth, therefore, enters the cities under a severe educational handicap.

Rural educational facilities in general are not on par with those provided in the cities. It is doubtful if they can ever be, in fact, unless some way of equalizing the costs of education between urban and rural areas can be worked out. The farm population, as a whole, although farm income is only 9 percent of the national income, is expected under present conditions to rear and educate 31 percent of the Nation's youth. The cost burden of education falls disproportionately hard upon the shoulders of rural people and contributes substantially to the existence of poor educational standards in agricultural areas. The greatest numbers of children per adult population are in the States that have the lowest tax base with which to support schools. The President's Advisory Committee on Education has made it very clear that the lack of educational opportunity for children in the poorer States is not due to an unwillingness on the part of the citizens of these States to tax themselves for the support of schools. They showed that there were 9 States which with "normal tax effort" would have had less than $30 available per child, whereas with the same effort 4 other States would have had $125 per child. Moreover, 22 States were already taxing themselves more heavily than this "normal tax effort" but were nonetheless unable to provide adequate schools.

A primary deficiency in present rural educational work is the lack of adequate vocational training. Training of this type now being provided for rural youth is virtually confined to the work of the National Youth Administration and the cooperative Federal-State vocational work in the high schools. There is almost a total absence of schools in rural areas designed to train rural youth for industrial work in the cities. This presents a tremendously important problem not only for the people in rural areas but for those in the cities as well, for the cities are dependent upon rural areas for a substantial part of their future supply of workers.

Despite the defense crisis and the defense employments, the necessity remains for facing the basic maladjustment between opportunity and population in agriculture. The necessity remains for facing the fact that the farm population is at least 100 percent in excess of that needed for commercial production, the fact that more than half of our farm people live largely beyond the pale of the going economy, the fact that ten or fifteen million farm people are living at levels destructive to health and morale, and the fact that forces are at work tending to accentuate and confirm a stratification of farm people into classes with a decreasing chance to move from one class to another.

The necessity remains for eventually readjusting the relation between population and opportunity in agriculture, either by increasing opportunity for farm people or by decreasing the number of people seeking a living on the farm.

LACK OF TRAINING HINDERS FLOW OF MIGRANTS TO CITIES

The lack of proper education and vocational training for industrial work and urban living is a drawback to the easy flow of excess farm youth to the cities. What can be done about it is open to conjecture at present. It is sufficient here to point out that the present types of rural education frequently are not fitting the surplus of rural youth to go to the cities and obtain useful and profitable work.

A major effort upon the problem of potential migration can be made to find ways by which opportunity within agriculture could be improved. The farmers' share in the national income could be increased. The markets could be extended. The income from opportunities beyond the pale of commerce—production for home use—could be very significantly increased. Supplemental incomes from decentralized industry might be obtained. Some of the processes which were limiting opportunity and contributing to the basic maladjustment—erosion, excessive credit costs, unsound tenure, tillage of submarginal land—might be slowed or halted.

All of these things have been pushed. The Agricultural Adjustment Administration has sought to safeguard the marketing of farm products so as to extend as far as possible the commercial income of agriculture. The Agricultural Adjustment Administration, the Soil Conservation Service, the Forest Service, have sought to stem erosion and the tillage of submarginal lands, the Surplus Marketing Administration has sought to extend and protect the market for farm products through its food stamp plan and commodity distributions. The Farm Credit Administration and the Farm Security Administration have sought to rationalize credit costs, the Farm Security Administration and the research and extension agencies of the Department have helped farm people extend their opportunities through increased production for home use.

A very significant and fruitful effort is that of improving production for home consumption. Farming as a way of life and as a way of security is more nearly possible on family-sized and family-owned farms than on farms with any other arrangement or organization. So-called live-at-home or security farming is a system of agriculture in which the farm family attempts to eliminate as many of the uncertainties as is possible in its day-by-day and year-by-year operations. It does this by producing the maximum amount of home-consumed products and service. This does not mean that we should destine great segments of the farm population to mere subsistence farming. It means that hundreds of thousands of farm families could raise their level of living by producing more of the products which they need for consumption, that they would thereby be able to use their income from commercial farming or nonfarm employment to purchase other elements in their level of living, and that the market for farm products could be divided among a greater number of farms. To the extent that such a development would work in this direction, it would contribute to the raising of the farm family level of living and at the same time create opportunities for a greater number of families on the land.

Statements such as those just made should in no way be interpreted as advocating a back-to-the-land movement. If agriculture is to support the maximum amount of farm population and at the same time be a successful economic enterprise, it must not be asked to absorb a great mass of people fleeing from discouraging and distressing situations in the city. Under such circumstances people return to the land merely as an asylum from distress and not to farming as a way of life.

Farming must be a way of life; it should be a good way of life; it must and can be a relatively secure way of life. It will probably be the most secure and the most zestful way of life only if those who practice it can take pride in ownership as well as operation. Pride in ownership and the conservation and nurture of natural resources are a part of the culture of agriculture every place in the world where home-farm operatorship is in existence, even though it be the home-farm operatorship of peasant farming. Farming is not an occupation or profession of pride, prestige, or profit where the type of farm organization condemns large segments of those who till the soil to the status of the proletariat, or to mere hired laborers or sharecroppers.

Such a broad approach is, of course, a reflection of the ultimate efficiency of the democratic process. And this process the Department is currently trying to extend and implement, through setting up county land-use planning committees to enlist the suggestions and help of the Nation's millions of farmers to help us in the process of education, planning, and coordination which are the basis of democracy.

And we have not yet approached the limits of possibility in extending and protecting the opportunity within agriculture.

FARM POLICY RECOGNIZES LIMITS OF OPPORTUNITY

It is necessary, however, in molding farm policy for the future, to recognize that such limits do exist, and to form some estimate of them. Some of these limits must be set up and defined by the democratic process, the land-use planning committees, the Congress, and the instruments for expression of public opinion. Some of the limits are physical and may be determined by research and analysis.

There are certain limits, for instance, upon the income which may be produced from the land, either for market or for home consumption by economic methods, which are determined by the supply of land available.

Of the noncommercial farmers, approximately 600,000 at present occupy land not suited to cultivation. And a much larger number of noncommercial farmers occupy farms too small to sustain an adequate standard of living. It has been the observation of Farm Security Administration in making loans to low-income farmers that most of them occupy farms too small to support a family. It has proven necessary for Farm Security Administration to help its borrowers obtain access to an additional average of 20 acres of land in order to set them up on an economic basis—that is, a basis which, by offering them a chance to repay, makes a loan feasible. The Farm Security Administration has been unable to assist all of those capable and willing to operate farms, in fact, because of the difficulty in finding sufficient suitable land. It is well known that refugee settlement during the depression found little good lands to go to. Both refugee settlement and high rates of natural increase in population are largely concentrated in areas where land is either too poor to be fit for commercial farming or where the land is already crowded.

In short, whether or not we have plenty of land as a theoretical proposition, evidence at hand indicates that the lower half of the farm population in any effort to expand their production to an economic level, will encounter a serious shortage of available land.

The number which it is possible to reestablish upon the land, can be determined only after our democratic processes have defined for us, exactly what minimums of income are acceptable for Americans in a permanent agriculture.

The nature of the problem is illustrated by some recent estimates by the Bureau of Agricultural Economics. According to these estimates, the present land base of the United States will support about 5,000,000 farms operating upon the scale which prevails in the Corn Belt. We have at present 6,800,000 farms. The average standard of living in the Corn Belt is slightly lower than the average standard prevailing in the urban areas of the country. If, however, the scale of operations and the standard of living prevailing in the Cotton Belt is adequate, the country's land base will support 9,600,000 farms, and more people than we support at present.

And we must recognize that if this maximum is to be approached, there must be a breaking up of many large farms using industrial labor and machinery in order to reestablish farms designed for efficiency in supporting populations rather than in producing crops. As to how far we will go along this line, again, our democratic processes must determine.

Present agricultural policy does not seek to break up the normal course of development of commercial farming.

At the same time we have sought to provide for the noncommercial segment of the farm population upon the land by the devices for increasing opportunity from within which I have mentioned. And this also has been done with a studious effort to give as small a jar to the going economy as possible.

We have taken each group within the noncommercial half of the farm population where we found it, and attempted to improve its opportunities, but we have not sought to reorganize the entire social environment of the lower half, either separately from or in conjunction with the commercial farming segment of the farm economy.

PRESENT POLICIES AIM AT CUSHIONING THE EFFECTS OF CHANGES

Our present policy has aimed roughly at cushioning the effects of the major changes occurring in agriculture, rather than attempting to alter the framework of agriculture as it is now operating. Our policies are aimed at encouraging the adoption of family-size farms as a desirable norm for the bulk of the farm population who live midway between commercial concentration and noncommercial or subsistence farming. Present policy recognizes the need for promoting supplementary incomes from off-the-farm sources, including relief payments for alleviation of distress among the extreme lower groups of residents of submarginal land and in agricultural labor. We are trying to preserve their value as employable citizens, easily within reach of any developing employment opportunities.

In this connection, there is a need for greater study of the decentralization of industry which is now occurring, and as to the possibilities of locating certain industries within or adjacent to the overcrowded farming regions. This is especially important in view of the industrial expansion to be brought about by the national defense program, and the possible need to locate many of the new plants in areas of low industrial concentration, better protected from attack.

The need of farm families for supplemental income in many areas is most urgent. Also, there is a great need for expanded conservation measures on the soil, water, and forest resources of the Nation.

It would be a real step toward conserving both human and natural resources, if some program could be devised which would make possible the utilization of the unoccupied time of rural people in dire economic circumstances in such a way as to contribute to their immediate income, and, at the same time result in the conservation of the soil and other physical resources upon which they must depend for a liveliehood in the future.

Probably the most practical way of meeting these two needs would be a rural conservation works program which would provide for the employment of low-income farm families in conserving natural resources and help to bring these two needs together in the interest of the general welfare. Such a program would result not only in the usual benefits to people to be derived from conservation efforts, but also in the additional benefit of immediate increases in the incomes of needy farm families from the supplemental employment opportunities created. While either of these objectives alone, i. e., immediate aid to needy families and conservation of natural resources, might be ample justification for expanded conservation efforts, it would seem that these programs are natural partners. Under certain conditions, such a program would be to a considerable extent self-liquidating.

There were in 1937, according to the unemployment census, 1,547,000 males living on farms who were either totally or partially unemployed or had only emergency employment. Of this number 576,000 were partially unemployed and 266,000 were employed in emergency public work—Works Progress Administion, Civilian Conservation Corps, National Youth Administration, etc. The remaining 705,000 were totally unemployed. Of the aggregate of totally unemployed and emergency workers living on farms, about 60 percent of the national total were registered in the South (south of the Mason and Dixon line and the Ohio River and including Texas and Oklahoma), about 32 percent were in the North (Maine and New Jersey to Kansas and North Dakota) and 8 percent were in the 11 far-western States. Of the partially unemployed, about 60 percent of the national total were likewise registered in the South, 33 percent in the North, and 7 percent in the far West.

FARM UNEMPLOYMENT IS PRODUCT OF OLD TRENDS

Unemployment on farms is not due entirely to the economic depression but in part to a combination of long-time trends. The proportion of the total gainfully employed in the Nation who were employed in farming declined at an almost constant rate from 1870 to 1930, but during this period the increase in nonfarm employment created employment opportunities for those not needed in agriculture. The result was a net migration from farms to cities which reached a maximum of 500,000 to 1,100,000 each year from 1922 to 1926. After 1926 this tide of net migration to the city declined annually and dropped precipitately from 1930 to 1932. It has been continued at the rate of from 200,000 to 400,000 per year since that time.

This unemployment situation among farm families will not correct itself through natural migration. Should the rate of net migration away from farms during the next two decades be half as great as during the predepression decade of the twenties, when the rate was unusually high—and half is considerably above the rate during the decade of the thirties—the increase in farm population of productive age would be 23 percent between 1940 and 1960. Since nearly 400,000 farm males are reaching maturity each year, and only about 110,000 farmers are dying each year, with possibly as many more retiring or leaving for other occupations, it appears that unless there is a very unusual increase in the rate of migration from farms there will be an increase of 200,000 males of productive age (18 to 65 years) each year for a number of years, over and above the present number on farms.

Present activities in the Department of Agriculture have not been of enough assistance to the approximately one and one-half million farm people described above. Agricultural Adjustment Administration payments have gone quite generally to farmers in commercial farming areas in which relatively few of these people are living. The Farm Security Administration has been able to take care of only a small portion of these people through the rehabilitation program, often because of inability to work out a balanced farm plan due to limited soil resources.

It appears that if assistance is to be given to more of those needy farm families, the possibilities in new approaches will have to be explored. An extensive rural conservation works program, involving both public employment and private employment supported by credit, could furnish additional opportunities to large numbers of farm families not now reached.

In concluding this statement, I would like to point out that migration is a thoroughly normal and desirable feature of American life. It has always been a part of the American way of doing things, and we continue to take for granted that people will move, and where they wish, in search of better opportunities. We would not stop migration even if we could; what could be accomplished, however, is the elimination of some of the tragedies and waste involved in certain aspects of present migration. The guidance and assistance which have been suggested as a means of helping migrants to make wise choices of work and locations would be a step toward this goal. Any program guiding and assisting migration, however, should be accompanied by efforts aimed at promoting the security of the people who remain on farms, so that the volume of distress migration will be cut to a minimum.

Current recommendations, which you have heard and will hear from the Department, also look (1) toward extension of efforts along democratic lines to increase opportunity within agriculture, (2) toward establishing on the land the maximum population which the land will support at decent standards, and (3) toward maintaining the vigor and skill of groups for whom opportunity in nonagricultural pursuits must be the eventual solution.

Toward that first objective, possibly the most fruitful line of action would be through extension of the type of loans and education developed in the Farm Security Administration rehabilitation program. Toward the second, a very major increase in the Bankhead-Jones tenant purchase activity, and perhaps a modification of the Agricultural Adjustment Administration payment basis to encourage the family size farm might be the most fruitful measures. Toward the third, an extension of the Farm Security Administration noncommercial farming program, its migrant camp program, a general extension of educational and health programs to increase the readiness of rural populations to accept nonagricultural employments, and a rural works program to devote surplus farm manpower to useful public works and provide supplemental incomes to the rural unemployed and underemployed during the years intervening between now and the appearance of nonagricultural opportunity, might be the best course.

TESTIMONY OF H. R. TOLLEY—Resumed

Mr. Tolley. I try to point out in that statement that there has always been quite a lot of migration from the farms of the country to other farms and to the cities of the country; that in recent years there has been a piling up of population on the farms on account of the lack of opportunities elsewhere. Many people who are now on farms of the country, if opportunities had been available, would have migrated to cities and to jobs in industry, or would have migrated to other parts of the country and stayed on farms if land had been available.

I have in the statement here some figures, which I will not try to give now, showing that the number of people working on farms in recent years has been running ahead in the past decade; in other words, there has been a real backing up of both men and women of working age on the farms largely because they have no place to go.

Commercial agriculture, as you know, for the past several years, since the end of World War No. 1, has not offered opportunities for additional production, and hence no opportunites for many additional farmers.

Then, I say that migration in itself is not an evil; it is a situation that we have always had in this country; but what seems to be needed is some way for the channels of migration to be kept open—some way needed to be developed whereby the people who are not able to support themselves temporarily where they now are may find jobs in industry, or, if possible, find other land in the country that is not yet developed where they may settle.

The present defense program offers some opportunities for potential migrants in the short run at least. There are two problems here: One is that the rural people are to a greater extent, I think, than the city people, without the skill that is needed in defense industry. The other point is that the defense work, insofar as new defense industries are concerned, is located in industrial centers and the workers who are already there will probably have the first choice of the jobs.

And, finally, presumably, at least, our defense effort is only a temporary thing and one of these days—we do not know when—it will be over and these people will have to find employment. In other words, defense does not offer a permanent solution to the problem.

POSSIBILITIES FOR RESETTLEMENT

There are some places in the United States where there is good undeveloped land that offers an opportunity for the right kind of farming, and for people like the previous witness here, whom we heard say he would like to have a place of his own where he could settle and stay.

I think two of the most promising places in the country are in the Pacific Northwest and in the Mississippi River Delta area. In the Pacific Northwest one place especially, in the Columbia River Basin, around Grand Coulee Dam, is now being developed which will offer opportunity for many thousands of new farms.

Also, in the cut-over area of the farther West there are opportunities if the land can be cleared and if the people who want to settle and come in there from other places can get enough resources in order to get a stake in the land.

A portion of the Mississippi River Delta area offers just as great, or maybe a greater, opportunity for further development and for further settlement than the Pacific Northwest. A part of it can be developed at low cost for clearing and drainage and it is in that area, I think, that the biggest potential migration exists in the country at the present time.

Mr. Osmers. Just to clear that point up a little further, Mr. Tolley, about the Mississippi Delta you say it is in the area of greatest potential migration?

Mr. Tolley. Yes; possibly I should say the area where the movement, or the number of people—rural people—in relation to the land resources is the greatest. That is really that point I had in mind.

Mr. Osmers. Yes.

Mr. Tolley. In other words, the rural population throughout the South is greater than at these other places. That is just another way of saying that the opportunity is really less than in other parts in proportion to the land resources.

Mr. Osmers. But you think the Mississippi Delta offers opportunities for further development on agricultural land?

Mr. Tolley. I am quite sure of it. There is a lot of good land down there that has never been cleared and developed.

The flood-control and drainage operations of the United States Government up and down the Mississippi River have reduced the flood hazards and made a lot of land available that at one time was not useful and could not be made available for farming. Development costs would possibly be less than developing the irrigated lands of the West.

I might sum all of this up by saying that, so far as the Department of Agriculture is concerned, or as far as the Bureau of Agricultural Economics is concerned, I should say, any slowing down of the migration of farm people which has always existed in this country causes a backing up of the farm population on the land.

The defense program gives promise temporarily of relieving the situation to some extent, and our thought is that effort should be continued to increase opportunities within agriculture itself for these people, to do what can be done to establish the maximum number of people in security on the land, and to make it possible for these rural people to obtain training and skill that will enable them to get jobs in industry, which they do not have now.

All of the efforts of the Department in the past several years has been directed somewhat along these lines, but, as you know, the problem is not yet solved.

Mr. Osmers. Mr. Tolley, your branch of the Department of Agriculture is the one that primarily interested in planning; is that correct?

Mr. Tolley. That is right; yes.

FUTURE TREND OF AGRICULTURAL POPULATION

Mr. Osmers. And would you say that, as a long-range proposition, the farming population in this country is going to increase in relation to the general population or decrease?

Mr. Tolley. In the past the trend has been for the industrial population to increase more rapidly than the agricultural population, but the situation now is, unless opportunity for moving from farms to cities can be opened up in a way that has not been true in the past decade, our farm population is going to increase more rapidly than the industrial population. The birth rate on the farm is higher—much higher on the farms of the Nation than in the cities—and with the opportunities for employment cut off in the cities the migration from the farm to the city will be reduced and the farming population is going to increase.

Mr. Osmers. You mentioned before, without giving any explanation particularly, because you were summarizing briefly, the fact that people have gone back to the land, so to speak, during the depression. It has been my impression that the low cost of living in rural areas has been a great factor in connection with that movement. Is that your opinion?

Mr. Tolley. Well, I put it a little bit differently. I think it adds up to the same thing. But when a man, or a family, is out of a job, he finds, if he has lived in the country before, if he knows how to take care of himself in the country, he will go back to the country as a haven and a refuge during the period when he has no source of cash income. I suppose, perhaps, that is another way of saying that the cost of living is lower in the country than elsewhere.

Mr. Osmers. Would you say that, again looking to the future, some day the world may be presumed to return to peace——

Mr. Tolley. We hope so.

Mr. Osmers. It may be 1, 2, 5 years from now. Of course, some day our defense preparations will be largely completed, whether peace returns or not. The high industrial phase of the defense program that we are going through now will disappear. Now, in your opinion, as a result of what studies you have made, when that terrific industrial depression comes that is going to come at the completion of the defense program, or with the arrival of peace, do you anticipate that there will be a great rush back to the land again?

Mr. Tolley. I anticipate the same thing will happen then that happened in the 1920's and the 1930's, that there will be a lot of people who will be out of employment in defense industries, and so forth, who will be trying to find a place out in the country where they can live and subsist.

FARM REHABILITATION

Mr. Osmers. Would your Department care to give any opinion as to whether the Federal Government, as such, should anticipate that return?

Mr. Tolley. Oh, I think most certainly it is part of the duty of all branches of the Federal Government.

Mr. Osmers. Do you think that if the Congress should make some more funds available to the Farm Security Administration, there would be provision for a lot of farmers that have no farms at present?

Mr. Tolley. I think the Farm Security Administration is finding that there is a very considerable number of people who are worthy of rehabilitation of their homes, or worthy of help in the tenant-purchase program, in the acquisition of farms, who cannot find farms either to rent or to buy under present conditions.

The demand for farms is now greater than the supply of farms. If the Farm Security Administration had more farms for rehabilitation loans, they could reach some people who now have a foothold on the land that they are not able to reach now. They could enable more deserving tenants who have a foothold to acquire ownership of their farms. But under present conditions, there would still be a considerable number of deserving farm people who would not be able to find farms either to rent or to buy. And it is that that leads us to the conclusion, you see, that further development of agricultural land in the country, in the places such as I have mentioned, would be a desirable thing. If the Farm Security Administration or some other agencies of the Government could do more along that line than is now being done, it would certainly help.

Mr. OSMERS. You mentioned in your statement that two areas occurred to you, without giving us a detailed study,[1] as having possibilities for profitable farming. They were the Pacific Northwest and the Mississippi Delta. Just taking those two sections, if they have such possibilities, why is it that there is not a flow of private capital toward those areas for the purpose of establishing farms?

Mr. TOLLEY. The Pacific Northwest—the Grand Coulee Dam is there, and the operations of the Reclamation Service under the dam are both very costly operations. It will be a long time before the whole thing is repaid.

There is a considerable amount of private development in the Mississippi River Delta and in the cut-over areas of the Pacific Northwest, where costs are not so high, but it is a very helter-skelter development——

Mr. OSMERS. More on the idea of a real-estate subdivision?

Mr. TOLLEY. Exactly, and with all of the things that go with that. I did not want to use that term.

Mr. OSMERS. I think, when we were out on the Pacific coast, we found evidences of—shall we say the poorer side of private real-estate development. Of course, we found some that were not that kind. But I realize that the farm mortgage at the moment is somewhat in bad odor in the United States, but it used to be and probably will again be one of the best forms of investment for private capital in the country.

Mr. TOLLEY. That is right. Of course, there is another point; that a great many of the people that I called potential migrants a while ago, who would like to get a foothold on the land are practically without capital, and private enterprise has not up to the present time done very much about staking a man 100 percent with what he needs. Where that has been done, or what has been done—it has been done nominally, I will say—has not been an honest-to-God effort, and the tenant or potential purchaser who has been trying to get a foothold there has put in a lot of sweat in developing a farm and putting some buildings on it and getting it under cultivation, and then lost it because he has not been able to make the payments that are set up for him by these real-estate agencies.

Mr. OSMERS. Do you think it is possible that private capital has failed to make the financial terms realistic enough to cover the situation; that is, they have tried to make the terms too short and the payments too heavy?

Mr. TOLLEY. The payments too high; yes. You see, developing a farm out of the woods or out of the sagebrush is a long-time proposition.

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[1] The detailed study was submitted later and appears on p. 3211.

Mr. Osmers. Definitely.

Mr. Tolley. And it is just too much to expect that even the best man in the world can go into a place like that and with his own sweat and his own ax develop a farm and pay for it in 10 years. It just cannot be done.

INCLUDE FARM LABOR IN SOCIAL LEGISLATION

Mr. Osmers. Would the application of the Social Security Act, the wages-and-hours law, and the National Labor Relations Act improve the welfare of farm laborers in your opinion?

Mr. Tolley. I think it would, if they could be adapted to agricultural conditions. I am not in a position to go into a long discourse on that, but conditions of employment on farms are so different from conditions of employment in industries that I have an idea that the law would have to be somewhat different to make it apply to agriculture, and that the administration of it would have to be somewhat different. But I think all of those things might well be worked out for agricultural labor.

Mr. Osmers. Would you care, Mr. Tolley, to make a distinction between the application of any of the three that I have mentioned? That is, would you care to say that the application of the social security law would be more practical than the application of the wages-and-hours law?

Mr. Tolley. Well, so far as old-age assistance in social security is concerned, I do not see any marked difference between the two. As far as employment insurance is concerned, the migratory agricultural worker is in a situation entirely different from that of the laborer who works in a factory. Then you take the part-time laborer, the man who lives on a little place and works off the farm for part of his cash; he is in an entirely different situation. So much for that.

As to wages and hours, of course, we know that the wages of the agricultural laborer are distressingly low in this country. It is one of the characteristics of agriculture. I am not sure that agriculture could stand, under present conditions, wages as high as industry could stand. Somewhat the same thing can be said about hours. When it is time to pick peaches they have to be picked. When it is time to pick cotton, it has to be picked. It cannot be spread over the season, like automobiles.

Mr. Osmers. That brings up some other questions here, to my mind at least. The application of these rigid forms, shall we say, of employment and pay and operations, such as would be demanded by the wages-and-hours law and the National Labor Relations Act, even if they were in different form of agriculture, would have, at least it would seem to me, the effect of increasing the cost of production of agricultural products. And if they increase the cost of the products, industrial experience seems to indicate that it would cause an increased mechanization of farm work throughout the United States and it would lead to the large industrial farm; because the small farmer that employed, we will say, just a few laborers here and there throughout the year would not be able to operate.

Mr. Tolley. I do not believe that that would accentuate the trend toward larger capitalistic farms in the country very much.

Take cotton; we know that there has been, and there is now, a trend toward mechanization and away from owner-operated and tenant-operated cotton farms, to cotton farms operated largely by wage hands. I do not believe that the application of the Wages and Hours or the Wagner Act, always modified to fit, would accentuate that trend very much, if at all.

Mr. Osmers. The experience of industry seems to be that whenever Government or some other agency, or some other cause, increases the cost of production, there is a competition pressure developed, which brings about the development of new machinery; the development of new methods of production and new efforts to cut the cost of production.

Mr. Tolley. That is right.

Mr. Osmers. I would say—perhaps I am wrong—but I would just guess that that same pressure would develop in agriculture. I am not here expressing an opinion that it would be a good thing or a bad thing.

Mr. Tolley. You are right. That pressure is there in agriculture, and it has been there. Technological improvements in agriculture in the past 25 years have been just about as great as technological improvements in industry. And it is that, more than anything else, that leads me to say that some help to farm laborers along these lines would not speed up that development very much. It has taken place. The pressure is there.

Prices of farm commodities, so many of them, have been so low anyway that managers and owners have been making real efforts to reduce their costs and increase their incomes.

Mr. Osmers. I know there has been a certain amount of pressure and we have seen the evidence of it in our tours through the country. We have since the evidence of that same effort that we have in industry, of hammering down the cost of production. I do not mean necessarily hammering down labor, but just hitting everybody along the line; we will say, taking a fence out so you can run a tractor a little further, and so forth. I was wondering whether the application of these rigid forms would increase that. I can see immense administrative difficulties, and so can you——

Mr. Tolley. Yes.

Mr. Osmers. In applying them. But I just wondered if it would have the effect of changing agriculture. I have noticed in industry—I do not have any figures in mind, but it seems to me that small industry is not on the increase in the United States, that the larger units seem to be getting a little bit larger, as we go along. And I do not think the defense program has changed that trend at all. I think it has just accelerated it.

Mr. Tolley. That is right.

Mr. Osmers. They are just getting larger and larger.

Mr. Tolley. Let me make one statement there before we leave this. There is a tendency for family sized farms to become larger. It is the same as the corporation farm. There is a tendency for that to become larger, and that tendency has been here for a long, long time. It is continuing, and technology is one of the things that is bringing it about. And that is another one of the things that has brought about the situation where there are not enough farms to go around for all these farm people.

Mr. Osmers. In the Great Plains area, there is quite a little of that going on, where the number of farmers is not increasing; in fact, it is decreasing, but the farms are getting larger and larger.

Mr. Tolley. That is right.

Mr. Osmers. The farm production has been carried on with improved mechanization, mechanical methods have improved, and so the farms are getting larger and larger. They are not making any more money, particularly, but using a little bit more land to get the annual income; is that correct?

Mr. Tolley. That is right.

Mr. Osmers. Would you say that that is a desirable situation, taking the Great Plains area?

Mr. Tolley. If all of the people who are trying to find places to farm can find them somewhere else—part of the Great Plains area was settled by my ancestors who came from farther east and carried with them the eastern method of farming on farms laid out, in general, too small for that semiarid western country. In recent years the weather has been such that yields have been very low, and it is a hazardous region anyway. Therefore, as far as concerns the people who are to continue to live in the Great Plains, it would be better if in general the farms could be larger, if they could depend more on livestock production, production from the native grasses out there that are not so subject to hazards of the weather, than the production of wheat, which they all turned to immediately when they went out there. And that goes pretty much for the Great Plains all the way from the South to the North, I think.

I think there has been more migration of farm people, relatively, out of the Great Plains than out of any other region in the country in the past several years.

Mr. Osmers. Would you favor Government aid in the establishment of cooperative farms?

Mr. Tolley. Very much. You see, we were talking about technology and about these little farms and making use of that small piece of land. A man who has 10 acres, or 20 acres, or 30 acres is not in a position to take advantage of all the technological improvements that come along. He cannot own a tractor. It costs too much. He cannot have electric lights in his house. They cost too much. He cannot buy certain types of seeds because they cost too much. He cannot have pure-bred cows or pure-bred hogs. He cannot take advantage of all of the learning and knowledge that is his for the asking from the colleges of agriculture or the Department of Agriculture here.

But if a number of them, if a goodly number of these people could get together, they could have a large enough tract to enable them to afford all of these things and to enable them to have access to all of the knowledge and information that is theirs for the asking.

Mr. Osmers. Again, it would lower the cost of production.

Mr. Tolley. That is right; and it would enable those people to live cooperatively much better than they can live piecemeal on small places.

Mr. OSMERS. You mentioned before these two areas, one in the Pacific Northwest and one in the Mississippi Delta. Could you tell the committee about what it would cost to set a farmer up on, say, an 80-acre tract in the Pacific Northwest—the Columbia Basin area?

Mr. TOLLEY. I am sorry that I am unable to give those figures at present.

Mr. OSMERS. Would you have any figures in mind on the Mississippi Delta proposition?

Mr. TOLLEY. Of course, the land itself—and these costs do not all come to cash costs—the land itself in the Mississippi River Delta—that is, cut-over land, we will say—would cost perhaps $2.50 to $10 an acre. That would get the land itself. Now, there have to be flood-control works and drainage works. The flood control is practically entirely cared for by the Federal Government. Drainage would be cared for by drainage districts. I do not have in mind what the cost per acre per farm there would be.

Mr. OSMERS. That is probably an unfair question to ask you. I wonder if you would mind preparing some figures along those lines for us.

Mr. TOLLEY. I shall be glad to.

Mr. OSMERS If they are not already prepared.

(The following statement was submitted later at the request of the chairman and is printed here to complete the testimony:)

COSTS OF DEVELOPING NEW AGRICULTURAL LANDS IN THE MISSISSIPPI DELTA AND PACIFIC NORTHWEST

The portions of the Mississippi Delta offering the best opportunities for additional settlement on new farms lie mainly in the cutover areas of the lower Mississippi Valley. The land is now covered with stumps and second growth timber, and drainage is a principal problem in its development. This land formerly was subject to severe flooding, but the better parts of it are now protected from floods, this protection having been provided by the new dams and other flood control works erected by the Federal Government in the last few years.

Much of the Delta cutover land is owned in large tracts by lumber companies and others, who are endeavoring to dispose of it, now that the timber is gone. New settlement is already under way in these areas, for about 20,000 families have moved in to begin new ground farming within the last several years. Present settlers, however, are encountering difficulties so serious that it is doubtful if most of them will be able to pay for their farms. These difficulties include high purchase prices in relation to the economic value of the land, short periods for payment of purchase indebtedness, lack of adequate credit facilities, lack of preliminary information and guidance in the selection of land, and lack of supervisory guidance and assistance in the initial years of operation.

Almost all of the present settlers are farmers from small worn-out hill plots adjoining the Delta, or are sharecroppers and tenants who have been displaced on the Delta plantations by mechanization or other forces. As a rule, recent settlers are farmers without adequate financial resources, workstock, or tools, and frequently have been unfamiliar with the conditions of lowland agriculture. Most of them have settled upon tracts of about 40 acres each, and are attempting to pay for their land from the produce of the farms. Under present conditions, the great majority of these attempts are facing almost certain failure. Unless adequate assistance can be given to the settlers, therefore, it seems certain that this land, when sufficiently developed by the settlers, will inevitably be absorbed into the established plantations of the region.

Undeveloped land in the Delta is being sold at prices ranging from $10 to $75 per acre, although the majority being turned over to the present settlers is going at prices of from $25 to $40 per acre. It is common practice for the settler to sign a lease-purchase contract, which allows him 2 years of occupancy on the land before purchase payments begin, and then a 10-year period in which to pay off the full purchase price. In practice, this means that settlers frequently devote time, labor, and money to clearing the land and erecting buildings, only to lose everything when their purchase payments become delinquent.

The real value of a sample area of the cutover woodland in northeastern Louisiana, determined on the basis of actual appraisals of about 600 tracts of land, has been estimated at less than $8 per acre. Thousands of acres were evaluated at $4 per acre. From information available about this sample tract, it appears that large acreages, if purchased in blocks for cash, could be obtained at prices ranging from $4 to $10 per acre. The advantages of block purchase and cash payment are not available to present settlers, of course, nor will they be available to future settlers under a continuation of present public and private policies in the region.

Present settlers estimate that $17 is the average total cost per acre for clearing this land. Of this amount, there is a $1 per acre cost for tree poison, $2 in other cash costs, the remaining $14 being the estimated labor cost. The labor cost is not a cash outlay, however.

On much of this land the provision of adequate drainage is a prerequisite to successful farming. The probable costs of drainage vary widely, of course, depending upon the availability of drainage outlets, and other factors. The possibilities of economical drainage are a principal factor determining the suitability of such land for agricultural development.

A recent drainage survey in three parishes of northeastern Louisiana gives some indication, however, of the drainage costs to be encountered in developing some of the better land. The drainage report shows that the total cost of constructing, administering, and financing of primary and secondary drainage, exclusive of farm drainage, would amount to $6.95 per acre in East Carroll Parish, $6.78 in Madison Parish, and $7.69 in Tensas Parish. The estimated costs of farm drainage would represent an additional $1 or $2 per acre. The cost data given here were calculated on the assumption that drainage enterprises would be organized for entire areas, rather than for parts of areas.

The costs of housing, farm buildings, fences, and other construction work involved in developing the Delta cut-over land for agricultural settlement would vary according to the size and type of farm, and to the standards set for housing.

Interviews with 100 recent settlers in northeast Louisiana show that 83 of them built dwellings at an average cash cost of $138 per house; that 69 constructed barns costing $21 each, and wells costing $18 each. These figures do not represent the costs of providing the proper types of dwellings and other buildings, however, for most of the recent settlers in the Delta lack anything approaching adequate housing and buildings.

COLUMBIA RIVER BASIN

New agricultural settlement in the Columbia River Basin will not be a large scale actuality for several years, until water is made available for irrigating the land. The cost of developing new farms in this area will be in the neighborhood of $100 to $150 per acre, exclusive of the labor performed by the settlers. Costs will vary from tract to tract, however, depending upon topography and other conditions. A share of the $300,000,000 cost of building the Grand Coulee Dam is also to be assessed to this land, and the size of the assessment will have great influence upon land costs.

CUT-OVER AREAS OF PACIFIC NORTHWEST

Many refugees from the drought areas have gone into the Pacific Northwest in the last 10 years, settling upon small tracts of cut-over timberland. Studies made by the Department of Agriculture show that the original cost of land of this type may range from $1 to $15 per acre, depending upon its suitability for agricultural development. The land most suitable to development for cultivation, however, is often covered with stumps, some of them 8 or 10 feet in diameter.

It is estimated that the settlers, without using machinery to help them, can clear only 1 or 1½ acres per year. Two-thirds of the land suitable for agricultural development probably can be developed at costs of from $30 to $75 per acre, exclusive of the cost of the farmers' labor. The expense of developing the remaining one-third would be higher. The cost in clearing the land for use as pasture is from about 50 cents to $12 per acre. On the better land, which is potentially suitable for cultivation, the total cost of development for agriculture generally is about $100 per acre, not including the cost of the labor of the farmer.

TESTIMONY OF H. R. TOLLEY—Resumed

Mr. **Tolley.** I think I can give you something for, let us say, the area below the Grand Coulee Dam and for some selected areas in the Mississippi River Delta.

Mr. **Osmers.** You mentioned about 1,000,000 acres in the Mississippi Delta.

Mr. **Tolley.** There are at least 1,000,000 acres available in the Mississippi Delta.

Mr. **Osmers.** Using 1,000,000 acres as a figure, if that land were put into cotton production, what effect would that have on the cotton market?

Mr. **Tolley.** That is a very good question and brings out a point that I did not make, that in these new areas of production what we need is a different kind of farming from the traditional type of farming, both there and in the Pacific Northwest.

Mr. **Osmers.** In other words, you would not say that they just ought to open up a million acres and plant a million acres of cotton.

Mr. **Tolley.** Most assuredly not. Diversified, living-at-home farming; livestock; good food for the family, all of those things come first. And then some cotton to get some cash, because farmers, just as the rest of us, do need some cash. Of course, there is this, too, in the Mississippi River Delta: Looking far ahead, if something could be done to enable potential migrants who live up on poor hillsides in much of the South, to get themselves established in the good land of the Delta, those poor hillsides could be retired to something other than farming, and we would have a much better situation.

Mr. **Osmers.** Do you feel that reclamation and irrigation projects in general provide worth-while, new opportunities?

Mr. **Tolley.** Yes. I talked a lot about the Columbia Basin. But there are a lot of places not of the size of the Columbia Basin, throughout the western part of the Great Plains, throughout the intermountain region, where there is some unappropriated water that can be brought to good land, and anything that can be done there would be that much help.

NEED OF INDUSTRIAL EXPANSION IN RURAL AREAS

Mr. **Osmers.** Would you care to express an opinion on the apparent desire to spread industry, particularly new industries, that are being established as a result of the defense program? Do you consider that a proper move?

Mr. **Tolley.** A very worth-while move. My theory is that not enough of it will be done because, just as you said a minute ago, there is a tendency to have big plants concentrated where plants already exist. I know that the Agriculture Division especially of the Defense Commission is giving a great deal of attention to this very point of getting new defense plants established in rural areas. They want to do everything they can to help the rural people get jobs in these plants, realizing, of course, that they are only temporary, and one of these days they will be over. But if the people could continue to live back home on their little farms, and use such money as they can get out of the plant to fix up their farms, fertilize them, and build fences and improve houses, that they will have just that much better base under them to continue after the defense program is over.

Mr. Osmers. It seemed to me—I have not analyzed it very carefully—but it seemed to me that this desire to spread industry throughout the country has not been very successful. Most of the plants that have been located in rural areas have been located there because of strategic considerations rather than being deliberately placed in that particular area because that industrial pay roll would be extremely helpful.

Mr. Tolley. Yes. Of course, there are many things that enter into the location of any industrial plant. That is especially true with respect to powder plants, airplane plants, and so on; but it seems there is a region here—oh, sort of a half moon—starting in the southern Appalachians and going down into Tennessee and across the Mississippi River—of course, I cannot speak for the Army on this, but it seems to satisfy the needs of the industrial location of defense plants, and at the same time in that area there is a large agricultural population, where the agricultural resources are limited and the agricultural income is low. And there are, I know, several plants of pretty good size that have already been located in that general region.

RURAL EDUCATION

Mr. Osmers. Yes; I have noticed that some of them are going down there. Would you care to express any opinion on the education of our rural populations?

Mr. Tolley. Well, in general, the educational facilities of rural people are lower than the educational facilities of urban people. That is true, on the average, throughout the country. And when we get to the areas of heavy population, high birth rates, low income, which are the areas of potential migration of the future, we are likely to find that the educational facilities are quite low as compared with the average of the country, or compared with what any of us would say they ought to be.

This is due primarily to the fact that the people cannot afford schools of the kind that city people afford, and some of the States, even where they have State aids—take a State like Mississippi, which is primarily a rural State—the State has not been able to afford to raise taxes enough to give them what we call standard school facilities.

There is another point there. When we think about what these young people on farms in those areas are going to do when they grow up, I think a lot of them——

Mr. Osmers. That is the point I want you to discuss.

Mr. Tolley. I think a lot of them want to go to town and get urban employment and thus we are finding farm people in the defense industry. They can get only jobs as unskilled labor. Well, if our country schools could have vocational education for industrial employment in them, as well as vocational education for future farming in them, I think it would be a very fine thing.

Mr. Osmers. Would you say there should be some agricultural education before a student reaches college—some instruction in the general practice of agriculture for those children that are not going to college when they finish with high school? I am presuming in their high-school curricula they will find no agricultural subjects.

Mr. Tolley. It is true that only a small portion of the farm boys and girls who grow up on the farm and become farmers or farmers' wives later in life go to college. Most certainly I think there should be vocational education in agriculture and agricultural homemaking, both, in the high schools. By the same token, for those who are not going to be able to find places on the farm and will have places in industry, there should be vocational education in industry for them, in the high schools and rural schools, as well as vocational agriculture for those who are going to stay.

Mr. Curtis. In connection with this educational feature of agricultural people, the 4–H Clubs, the Future Farmers of America, and all those things, are definitely stabilizing rural population, are they not?

Mr. Tolley. Yes; I should say so.

Mr. Curtis. You spoke of your ancestors coming to the Great Plains. I might say that in the Great Plains the drought has been so persistent we have had seven crop failures. In many of the counties the only nucleus of fine livestock left is that of the 4–H Club boys and girls. They are keeping something there that, when a better day arrives and Nature treats us a little more generously, they will have something to start on. And it seems to me that secondary education in vocational agriculture is making a tremendous contribution to this problem.

Mr. Tolley. Oh, I agree with you, and I hope you did not understand me to say anything derogatory to that. What I am trying to say is that that, in itself, is not enough. You need, to go along with that, vocational training in industry of those boys and girls who are not going to be able to find places on the farm when they grow up. I did not intend to say anything against vocational education in agriculture in the high schools and rural schools.

Mr. Curtis. I discussed with the instructor in agriculture in one of my largest towns where agriculture is the basic industry, the question as to why they have such a large enrollment in the high school and such a comparatively few boys taking agriculture. His view was that the mothers were opposing it; that the mothers of farm boys were discouraging them taking training in agriculture.

Mr. Tolley. The mothers are hoping they will go some place else?

Mr. Curtis. Yes. He said that they were urging them to take a commercial course to compete, as stenographers, with all of the girls of the country. I did not say that; this instructor said it. Would you have anything to venture on that proposition? Is there a tendency in agricultural education definitely to move in the wrong direction by misguidance at home?

Mr. Tolley. By "move in the wrong direction," you mean to direct boys and girls away from the farm?

Mr. Curtis. Yes.

Mr. Tolley. Of course, I do not know that that would be in the wrong direction, in the first place. There are many more children and young people on the farms of the country today than I think are going to be able to live by farming, and to live well by farming, when they grow up. So why should not our educational system be geared to fit part of the boys and girls for opportunities of employment elsewhere?

I was especially interested in your remark about these boys' mothers. After all, I think it is the farm women of the country who have been hit and hurt the hardest by hard times, by the droughts on the plains, and so on. They are not able to have the things for themselves, they are not able to have the things for the children that they want their children to have, and the farm women of the country will, I think, mull the question over and say, "Why don't you find something else to do, rather than farming, before you grow up?"

Mr. CURTIS. Then, in that connection, I noticed what you had to say about wages and hours of farm labor. Would you favor a floor under wages and a ceiling over hours for the farmers themselves?

Mr. TOLLEY. Yes. I have been doing all I could, in the Department of Agriculture, for several years to get that.

Mr. CURTIS. Briefly, will you tell this committee how that could be done?

Mr. TOLLEY. That is too much of a question for me, Mr. Congressman, to tell it briefly, or even to tell it at all.

Mr. CURTIS. Could you, if we arranged for ample time?

Mr. TOLLEY. Of course the programs of the Department of Agriculture over the past 7 or 8 years have been an effort to do that very thing. You know as well as I how successful they have been and how nearly the goals set up in the various legislative acts have been reached.

Mr. CURTIS. Coming back to the Great Plains situation; the price of eggs to the farmer has been as low as 5 cents per dozen within the last 2 years. Of course, that is just one product. With the present basis of rating the price for farm products, the farmers could not support these various labor benefits which you believe in, and which we would like them to have, could they?

Mr. TOLLEY. Not with the present level of farm income and farm prices, and the legislative level of wages and hours for industry. I tried to make that point earlier. But I say that that does not mean that there should not be something adopted for agriculture in the way of wages and hours, social security, and so forth.

PRESENT FARM POLICY

Mr. CURTIS. Now, as Chief of the Bureau of Agricultural Economics, do you feel that our farm policy in this country should follow the plan of determining the number of people that should farm, or that it should be based on the theory that farms are homes, or should it be based upon the definite commercial needs of so many bushels or so many pounds of beef, and so on?

Mr. TOLLEY. I do not know whether I can be brief on that question.

Mr. CURTIS. You do not have to be.

Mr. TOLLEY. You see, I think that is all going to work itself out in this country through what I call the democratic process, rather than by legislation of Congress or administrative acts of the executive branch of the Government. I think this large number of people we have been talking about here today and that your committee is interested in, who are trying to find places for themselves on farms in the country, are going to continue to try to find places for themselves, and many of them are going to succeed. And I think it is the duty of the Federal Government to help them in every way it can when they do find places for themselves. I think many of them are going to be good subsistence and part-time farmers, living on a little piece of land, and getting their cash from something outside of agriculture, rather than doing commercial farming as we think of it in the Great Plains and Corn Belt. We can do some figuring, you know. You can add up and subtract figures, and so on, and arrive at the conclusion that if all of the farms of the country were of the same relative size as those of the Cotton Belt, the country could support 25 percent more farmers. You can turn that around and arrive at the conclusion that if all of the farms were of the relative size of the Great Plains and Corn Belt farms, we would require 25 percent fewer farmers. But those are just figures, you see; I do not think it is going to be that way.

Mr. CURTIS. But, generally speaking, we cannot and should not lose sight of the fact that, even though the farmer has no other supplemental income, farming is still homemaking; is that right?

Mr. TOLLEY. Homemaking is the way of life; yes.

Mr. CURTIS. Yes; and we should adhere to that, rather than consciously, at least, to move away from it?

Mr. TOLLEY. Absolutely. And I think in our Government program we should be thinking about the people and the income of the people who are trying to get a living from agriculture, rather than comforting ourselves by saying, "Well, there are a lot more people in agriculture than ought to be there, and, if they could just get away some place, agriculture would be all right."

Mr. CURTIS. Do you see any apparent conflict between the Agricultural Adjustment Administration in restricting production and possibly restricting producers, and the Farm Security Administration that moves forward on the theory of making homes, but which does enlarge the output of crops?

Mr. TOLLEY. You said the "Agricultural Adjustment Administration in restricting production."

Mr. CURTIS. I should have said the agricultural program.

Mr. TOLLEY. You see, I should modify that by saying the Agricultural Adjustment Administration program is one of shifting land from intensive use to more extensive use and building up agricultural conservation, rather than restricting production. Basically, there is no conflict between the two at all, but we have to be careful lest conflicts in administrative procedure appear to arise. But the Agricultural Adjustment Administration—well, the small-farm subsistence farmer has an opportunity to benefit by the program of the Agricultural Adjustment Administration. Now, we wish, and I personally may say I wish, there was more opportunity for the small farmer to benefit from the program of the Agricultural Adjustment Administration than there seems to be at the present time.

CORPORATE FARMING

Mr. CURTIS. Do you think corporate farming is a wholesome thing?

Mr. TOLLEY. If I had to answer that in one word, I would say "No"; but I would like to make a little speech on it, if I might. One of the big elements, as I see it, is that the agricultural policy of this Nation, since its beginning, has been to help and foster the family home on operating farms, and I think, from the standpoint of welfare and the development of the Nation, that is one of the very fine things about the United States of America, and I hope farming in this country will continue, primarily, on that kind of basis.

Now we have, on the upper end, corporation farming; on the lower end, we have an increasing trend toward tenant farming. And there is much more of a tendency, I think, toward an increase in tenant farming than there is an increase toward corporation farming.

Mr. Curtis. Well, do you think corporation farming, if left alone, is going to increase or decrease?

Mr. Tolley. I do not think it is going to change much one way or the other. Of course, my own thought is that this cooperative kind of farming we were thinking about awhile ago is the best direction in which to go where really large-scale operations are called for.

Mr. Osmers. Mr. Curtis, if I might interrupt, could you define "corporate farming"? Do you mean, for instance, a corporate-owned farm, or a farm operated by stockholders, or what?

Mr. Curtis. I realize the term is general and rather loose, but I mean by corporate farm a farm much larger than the family-size farm, and which is owned by a corporation rather than by one person, or perhaps a few persons.

Well, as a consequence, do you approve any legislative curbs upon corporation farming; if so, who should place those curbs—the Federal Government, or the States?

Mr. Tolley. In general, I would say, in that respect, corporation farming is comparable to corporation manufacturing of industrial corporations, and the same sort of thing is needed for farm corporations as is needed for industrial corporations.

Mr. Curtis. You would favor some curb, perhaps?

Mr. Tolley. Regulation.

Mr. Curtis. You would not feel it would be sound economy to enact legislation that would eliminate corporation farming?

Mr. Tolley. I do not think it would. I cannot see any particular good that would do, and I cannot see that corporation farming is on the increase to such an extent that anything like that is needed.

Mr. Curtis. Well now, in reference to clearing land and flood control in some of the regions such as the Mississippi Delta, and in reference to the program of irrigation in the West, it is generally true, is it not, that anything that increases the long-time productivity of land stabilizes the population on that land?

Mr. Tolley. Yes, in general. Of course, there is always the question of price and income to be considered.

Mr. Curtis. We had an illustration brought to us by Commissioner John Page of the Bureau of Reclamation, in our Nebraska hearings, where he pointed out that, in the general trend of population, in Nebraska they had lost 5 percent in the last 10 years.

Mr. Tolley. Yes.

Mr. Curtis. But that one of their counties that was a pioneer in irrigation, going back, I believe, to 1906, during that same period had gained 13 percent in population and they were taking care of the people; they were buying more automobiles, typewriters, rugs, and furniture and all those things that the rest of the world has to sell to the farmer.

Mr. Tolley. Yes.

Mr. Curtis. In reference to the defense industries being of some assistance to the rural areas, do you know whether it is true, or not, that these defense industries are located on the seaboard for the reason that their products are for export?

Mr. Tolley. I have not heard that.

Mr. Curtis. Do you know of any new industries being established away from the seaboard, in what might be termed as the geographical heart of the United States?

Mr. Tolley. Well, I know and there has come to my attention, for instance, a big powder plant at Radford, Virginia, which is a considerable distance from the seaboard, and another one——

Mr. Curtis. Well, I would not say immediately along the seaboard; but, for instance, in the upper Mississippi Valley—they are not being placed up there, are they?

Mr. Tolley. Yes. I know of one that is being established at Charleston, Ind., which is just across the river from Louisville; another one that is being established at Burlington, Iowa. And I believe there is an announcement of a nitrate plant in western Tennessee. I know they are being established out there. That is a matter of record from the Defense Commission—those that have been announced so far—and I would be glad to furnish that to you, if you care for it.

The Chairman. The thought occurred to me that this problem of migration of destitute citizens is so big, as it unfolds, that to me it looks like a forest and, as we start to look at the trees, we are liable to forget the forest.

Now, this migration we are talking about has many causes. There will be no single solution.

Mr. Tolley. No.

The Chairman. Some of the causes being worn-out soil, mechanization, unemployment, and different things. But what I want to get from you, if I can, is this: We started out in New York and we showed it was not a California problem alone. The record, as disclosed by Mayor LaGuardia, shows that they spent $3,000,000 last year on nonsettled persons in that one State, and they had 5,000 that were deported from New York, who went into other States. Now, Mayor LaGuardia thought it was a national problem, and nearly every other witness has agreed. Do you think it is, too?

Mr. Tolley. Yes.

The Chairman. In other words, Mr. Tolley, it has got so big—and it probably will grow—that no individual State can take care of it. That is right, is it not?

Mr. Tolley. That is right.

The Chairman. Now, we found there are about 4,000,000 people going from State to State. Speaking for myself, I am not a bit concerned with the perennial hopeful, or with people who have a little money and go for their health; but we are deeply concerned with American citizens who have to leave their homes on account of circumstances over which they had no control. We are interested in them, are we not?

Mr. Tolley. Yes, sir.

The Chairman. All right. Now you have lost a million people from the Great Plains States in the last 10 years. They did not want to leave their homes, did they?

Mr. Tolley. No.

The Chairman. You have in the Great Plains States 5,000,000 acres of formerly productive soil, but 25 percent of the top soil is gone now. What bothers me is simply this: When they start to move they are not only citizens of their own States but, under the Constitution of the United States, they are citizens of the other 47 States. That is true, is it not?

Mr. Tolley. That is right.

The Chairman. All right; what do they run into? When they cross State borders they run into private employment agencies, who give them misinformation and take their last dollar. They do not know where to go. It is all more or less misinformation, and something should be done about that; is not that true?

Mr. Tolley. I agree with you fully.

The Chairman. What else do they run into? They run into settlement laws of from 6 months up to 5 years. They lose their residence in the States of their origin and are homeless as to any State, and the census returns are being held up now because you have hundreds of thousands of American citizens that they do not know how to allocate.

Now, there must be, of course, Mr. Tolley, a short-term approach to it. The short-term approach will be to determine what we are going to do with them when they start out. Are we just going to treat them as nobodies, or are we going to treat them as people, and cannot we give them information at the border, cannot we have uniform settlement laws?

Now, some of the witnesses before us have brought out reasons why they could not stay home on the farms and also as to what the Farm Security Administration had done. Dr. Alexander told me the Farm Security Administration had taken care of 500,000 families in the way of loans for seed, horses, mule or cow, and that 85 percent of the money is being paid back, but a million or more are yet uncared for.

Mr. Tolley. That is right.

The Chairman. You are in favor of the extension of more appropriations for farm security?

Mr. Tolley. Most certainly; provided we do not assume that would take care of the problem.

The Chairman. Do you not see, Mr. Tolley, that millions of American people are kicked around the country? That does not help the morale of this country, and what does not help the morale of this country does not help the defense of this country.

Mr. Tolley. That is true. A great many of them feel that they have no stake whatever in our democracy.

The Chairman. Thank you very much for your statement, Mr. Tolley.

TESTIMONY OF MRS. ROY LAPP, RHODESDALE, MD.

Mr. Sparkman. This is Mrs. Roy Lapp, of Rhodesdale, Md.?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. Is this your daughter with you?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. What is her name?

Mrs. Lapp. June.

Mr. Sparkman. Mr. Lapp was to have come with you?

Mrs. Lapp. Yes, sir; but he could not be here today.

Mr. Sparkman. What happened to him?

Mrs. Lapp. He went to look for a job, and found a job, and he started to work.

Mr. Sparkman. This morning?

Mrs. Lapp. No, sir; last Wednesday morning.

Mr. Sparkman. That is fine. Where were you born?

Mrs. Lapp. At St. Michaels, Md.

Mr. Sparkman. How many children do you have?

Mrs. Lapp. Seven.

Mr. Sparkman. How old is the oldest?

Mrs. Lapp. Sixteen years old, and will be 17 soon.

Mr. Sparkman. How old is the youngest child?

Mrs. Lapp. Seven years old last October.

Mr. Sparkman. Are the children of school age in school?

Mrs. Lapp. All but one. The biggest boy is at work.

Mr. Sparkman. The 17-year-old?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. What is he doing?

Mrs. Lapp. He helps in loading slabs down at the mill.

Mr. Sparkman. At Rhodesdale?

Mrs. Lapp. No, sir; he has to go 14 miles.

Mr. Sparkman. How far in school did the 17-year-old boy go?

Mrs. Lapp. To the fifth grade.

Mr. Sparkman. Did you grow up in Maryland?

Mrs. Lapp. No, sir; I was about 5 years old when we moved up in Pennsylvania.

Mr. Sparkman. You grew up in Pennsylvania?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. How much schooling did you have?

Mrs. Lapp. I came up to the eighth grade.

Mr. Sparkman. What did you do as a girl?

Mrs. Lapp. I worked on the farm.

Mr. Sparkman. On your father's farm?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. Did your husband grow up as a farm boy?

Mrs. Lapp. Yes, sir; but he learned the trade of electrician.

Mr. Sparkman. Did he learn that trade after he grew up, or in school, or did he learn it as he was working on his father's farm?

Mrs. Lapp. No, sir; he was working on his mother's farm, and learned the trade that way.

Mr. Sparkman. He picked it up?

Mrs. Lapp. No, sir; he worked for an electrical contractor.

Mr. Sparkman. Where were you married?

Mrs. Lapp. At Bethlehem, Pennsylvania, in 1923.

Mr. Sparkman. I believe you said your husband was a native of Pennsylvania?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. What has your husband done since you were married to him?

Mrs. Lapp. We were farming and he was working.

Mr. Sparkman. Did he own a farm?

Mrs. Lapp. Not in Pennsylvania. He only had half of the farm.

Mr. Sparkman. A half interest in the farm?

Mrs. Lapp. Yes, sir. After the mother died, the two boys farmed, and after the youngest one was 21 years old, the place was to be sold.

Mr. Sparkman. Did he run the farm after his mother died?

Mrs. Lapp. Yes, sir. My husband stayed on the farm. We were married when he was on the farm, and when the youngest boy was 21 years old, the farm was sold.

Mr. Sparkman. And then where did you go?

Mrs. Lapp. The young man bought the farm, and stayed on the farm. He bought our share. Then we bought a farm down here.

Mr. Sparkman. How big a farm was it?

Mrs. Lapp. Three hundred and sixty-five acres of land, woodlands and all.

Mr. Sparkman. Were you able to pay for it?

Mrs. Lapp. Half of it.

Mr. Sparkman. Do you still own it?

Mrs. Lapp. No, sir.

Mr. Sparkman. What did you do with it?

Mrs. Lapp. Every time a rain came along, it swamped the crops.

Mr. Sparkman. What kind of crops did you raise?

Mrs. Lapp. Tomatoes, cabbages, butter beans, corn, and things like that.

Mr. Sparkman. You raised vegetables?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. For canning?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. Did you operate your own cannery?

Mrs. Lapp. No, sir.

Mr. Sparkman. You just raised the vegetables?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. Did you have several successive failures?

Mrs. Lapp. Yes, sir; all the time.

Mr. Sparkman. Because of excessive rains?

Mrs. Lapp. Whenever the rains came, the fields were swamped—that is all.

Mr. Sparkman. The fields were low ground?

Mrs. Lapp. Yes, sir; they were lowlands.

Mr. Sparkman. Did you have any stock on the ground?

Mr. Lapp. Yes, sir; we brought 14 truckloads from Pennsylvania.

Mr. SPARKMAN. That is, when you moved down here?

Mrs. LAPP. Yes, sir.

Mr SPARKMAN. You moved 14 truckloads of your personal belongings down here with you?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. What livestock did you have?

Mrs. LAPP. We had cows up there. We had eight cows, and they were sold in Pennsylvania. Then we bought eight cows down here in Maryland.

Mr. SPARKMAN. And you brought your horses along?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. How many?

Mrs. LAPP. Two horses.

Mr. SPARKMAN. Do you still have livestock?

Mrs. LAPP. Yes, sir, hogs, chickens, and so forth.

Mr. SPARKMAN. You lost the farm?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. Due to crop failures over which you had no control?

Mrs. LAPP. That is true.

Mr. SPARKMAN. Due to excessive rains?

Mrs. LAPP. Rains, insects, and things like that.

Mr. SPARKMAN. Wet seasons?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. What have you been doing since them?

Mrs. LAPP. After we went off the big farm, we went on a small farm, and that was "no-good" land.

Mr. SPARKMAN. Did you buy it?

Mrs. LAPP. No, sir.

Mr. SPARKMAN. Did you rent it?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. How long were you there?

Mrs. LAPP. Two years.

Mr. SPARKMAN. What did you do, or what is your work?

Mrs. LAPP. We still have some farm implements. We did general farming on some small bits of ground, trying to make a living by getting work.

Mr. SPARKMAN. You took that farm and tried to make a living?

Mrs. LAPP. We would work at anything we could find.

Mr. SPARKMAN. By the day?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. How long did you do that?

Mrs. LAPP. Over 2 years.

Mr. SPARKMAN. You are still doing that?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. That is the place where you are living now?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. What kind of work do you do?

Mrs. LAPP. Husking corn, picking tomatoes, and so forth.

Mr. SPARKMAN. Do the children work?

Mrs. LAPP. Yes, sir; all the children work.

Mr. SPARKMAN. What do you get for this work?

Mrs. LAPP. We get 2 cents a basket for picking tomatoes. It depends on how many we can pick.

Mr. SPARKMAN. You are not doing that work now?

Mrs. LAPP. No, sir; we are husking corn now, or were until last week. The man we were husking for has finished.

Mr. SPARKMAN. What do you make from husking corn?

Mrs. LAPP. I, the girl, and the other boy have been husking, and we made about $1.65 or $1.66 per day.

Mr. SPARKMAN. That was what was earned by all three?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. How long does it take to earn it?

Mrs. LAPP. We started around 8 o'clock in the morning and we were husking until 4:30 or 5 o'clock.

Mr. SPARKMAN. What were your children doing; were they going to school while you were doing this work?

Mrs. LAPP. They were in school. The others went to school. There were two helping me.

Mr. SPARKMAN. You held two of them out?

Mrs. LAPP. Yes, sir. We started with four of them, and two of them were held out.

Mr. SPARKMAN. What do you get for husking corn?

Mrs. LAPP. We get 32 cents a barrel. Of course, if one pile does not husk out a barrel, we may have to husk one or two more piles.

Mr. SPARKMAN. Do you go to lunch?

Mrs. LAPP. No, sir; we take our lunch along.

Mr. SPARKMAN. How long do you take for lunch?

Mrs. LAPP. Sometimes not quite an hour—three-quarters of an hour, or half an hour, depending on how hot or how cool it is.

Mr. SPARKMAN. What kind of work is your husband doing?

Mrs. LAPP. He was on the farm doing farm work and some electrical work.

Mr. SPARKMAN. What kind of job did he get?

Mrs. LAPP. He is with an electricians' gang.

Mr. SPARKMAN. Some kind of construction work?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. How old is your husband?

Mrs. LAPP. Forty-two years old.

Mr. SPARKMAN. Is he a World War veteran?

Mrs. LAPP. No, sir. He was in a class away down. He was drafted, but was in a class away down because he was working his mother's farm at the time he was drawn.

Mr. SPARKMAN. You say he is an electrician by trade?

Mrs. LAPP. Yes, sir.

Mr. SPARKMAN. Has he made any effort to get a job in connection with the defense program?

Mrs. LAPP. He tried at several places, but could not get any work.

Mr. SPARKMAN. I wonder if he has made any effort to qualify under the civil service for one of the skilled jobs.

Mrs. LAPP. He put in an application with the Unemployment Service at Cambridge.

Mr. Sparkman. What size house are you living in?

Mrs. Lapp. In a six-room house.

Mr. Sparkman. Is that inside of a city or on the farm?

Mrs. Lapp. It is on a small farm.

Mr. Sparkman. You have running water?

Mrs. Lapp. No, sir; we have to pump all our water.

Mr. Sparkman. Is your work pretty steady, or are you able to get different jobs along pretty well?

Mrs. Lapp. I do not think it is just now, because everything is about up now. The work is about up for winter, except for little jobs here or there.

Mr. Sparkman. There is a let-up now?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. When will you be able to start in again?

Mrs. Lapp. As soon as spring comes.

Mr. Sparkman. What will you do then?

Mrs. Lapp. We will set out tomato plants and things like that.

Mr. Sparkman. That comes about April?

Mrs. Lapp. Yes, sir; April and May.

Mr. Sparkman. Do you have any idea what your income for the year is, or the income for the family?

Mrs. Lapp. No, sir; I have not.

Mr. Sparkman. Does the son who is working live with you?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. He is still a member of the family?

Mrs. Lapp. Yes, sir; he is there when he is not working.

Mr. Sparkman. Did your husband work on the farm?

Mrs. Lapp. He could not work at all last summer.

Mr. Sparkman. He was out of work during the summer?

Mrs. Lapp. Yes, sir; he could not do a thing.

Mr. Sparkman. Did you do the work during the summer?

Mrs. Lapp. Yes, sir; I managed to keep everything going.

Mr. Sparkman. You were doing the farm work?

Mrs. Lapp. Yes, sir.

Mr. Sparkman. Did your husband make any effort to do some kind of work?

Mrs. Lapp. No, sir; he was in the hospital, and would not dare to work.

Mr. Sparkman. He was sick at the time?

Mrs. Lapp. Yes; he had an operation.

Mr. Sparkman. I asked you a moment ago if you had any idea what the total income of your family is by the year.

Mrs. Lapp. No, sir; I have not.

Mr. Sparkman. Neither you nor your husband have applied for relief?

Mrs. Lapp. We did get relief when the smallest baby died.

Mr. Sparkman. When was that?

Mrs. Lapp. Last winter, a year ago.

Mr. Sparkman. How old was the baby?

Mrs. Lapp. Seven months.

Mr. Sparkman. What was the matter with the baby?

Mrs. LAPP. Pneumonia.

Mr. SPARKMAN. You did receive some relief at that time, but that was the only time?

Mrs. LAPP. Yes, sir; they gave some relief at the hospital. They gave same relief when we sent the children to school.

Mr. SPARKMAN. Have you been able to provide yourself and the members of your family with the necessities, or with clothing and food?

Mrs. LAPP. We get by if we have it, and if we do not have it, of course, we have to do without it.

Mr. SPARKMAN. Do you look forward to the time when you may again be able to own your own farm?

Mrs. LAPP. I do not know—not just now, anyhow.

The CHAIRMAN. You have no idea what your family income is, or how much you take in per month?

Mrs. LAPP. No, sir; because we have to pay rent, and when we buy groceries, it is all gone.

The CHAIRMAN. You are never able to save up anything?

Mrs. LAPP. No, sir; we cannot.

Mr. SPARKMAN. What does your husband make when he is on a job?

Mrs. LAPP. I cannot say. I do not know, because he told me he did not know what he would get per hour.

Mr. SPARKMAN. Does he stay at home and do his work or go out?

Mrs. LAPP. He went to Bethlehem, Pa.

Mr. CURTIS. Where were you doing the corn husking?

Mrs. LAPP. Down at Rhodesdale, when we were living on the farm.

Mr. CURTIS. What did you get for a bushel?

Mrs. LAPP. It is 10 baskets to the barrel, at 32 cents per barrel.

The CHAIRMAN. Thank you very much for your statement.

TESTIMONY OF MESSRS. EDGAR AND ELMER WATSON SALISBURY, MD.

Mr. OSMERS. Where were you born?

Mr. ELMER WATSON. We were born in Accomac County, Va.

Mr. OSMERS. How old are you?

Mr. EDGAR WATSON. Thirty-one.

Mr. OSMERS. And how old is Elmer?

Mr. ELMER WATSON. Thirty-five.

Mr. OSMERS. Were you born at the same place?

Mr. ELMER WATSON. Yes, sir.

Mr. OSMERS. What did you and your father do for a living?

Mr. ELMER WATSON. He was "on the water," and there was some farming.

Mr. OSMERS. What kind of farming did he do?

Mr. ELMER WATSON. Growing potatoes, onions, cabbages, and that kind of thing.

Mr. OSMERS. Garden truck?

Mr. ELMER WATSON. Yes, sir.

Mr. OSMERS. How many are in the family?

Mr. ELMER WATSON. There are six in all.

Mr. **Osmers**. How many were there at the time when your father died?

Mr. **Elmer Watson**. Father is not dead. Mother is dead. Our father is living now.

Mr. **Osmers**. I mean at the time your mother died: How many were living at home then?

Mr. **Elmer Watson**. There were three at the time.

Mr. **Osmers**. You two brothers and your father?

Mr. **Elmer Watson**. Yes, sir.

Mr. **Osmers**. Has your father married again?

Mr. **Elmer Watson**. Yes, sir.

Mr. **Osmers**. How long did you continue on the farm in Virginia?

Mr. **Elmer Watson**. Six years after our mother died.

Mr. **Osmers**. How long had you been on the farm?

Mr. **Elmer Watson**. All my life.

Mr. **Osmers**. Did the farm pay well?

Mr. **Elmer Watson**. No, sir; that is why we had to break up.

Mr. **Osmers**. What do you think was the difficulty on that farm?

Mr. **Elmer Watson**. We put in so many hours for what we were getting. We started in the morning around 6 o'clock and worked until 8 o'clock at night.

Mr. **Osmers**. What were you raising on that farm?

Mr. **Elmer Watson**. We were working by the day at that time. We went to work for Mr. West and were paid $1 per day.

Mr. **Osmers**. When did you move from there, and were did you move?

Mr. **Elmer Watson**. To Parksley, Va. We went to Locustville from there.

Mr. **Osmers**. What did you do there?

Mr. **Elmer Watson**. We went to farming for a man. He was to keep us supplied until the crop was in, but everything went down to nothing, and he told us to get out.

Mr. **Osmers**. Did you get any relief in Virginia?

Mr. **Elmer Watson**. Yes, sir.

Mr. **Osmers**. You did get relief in Virginia?

Mr. **Elmer Watson**. Yes, sir; father did.

Mr. **Osmers**. In what form was that relief? Was it W. P. A. work?

Mr. **Elmer Watson**. Yes, sir.

Mr. **Osmers**. When did you come to Maryland?

Mr. **Elmer Watson**. A year ago this March.

Mr. **Osmers**. What brought you there?

Mr. **Elmer Watson**. We thought we could better ourselves. We heard Mr. Townsend was working men and paying them 15 cents.

Mr. **Osmers**. How much an hour?

Mr. **Elmer Watson**. Fifteen cents per hour for farm work.

Mr. **Osmers**. Then you came to Maryland?

Mr. **Elmer Watson**. Yes, sir.

Mr. **Osmers**. What were you promised when you came there?

Mr. **Elmer Watson**. We were promised year-around work.

Mr. **Osmers**. And how much pay?

Mr. Elmer Watson. Fifteen cents per hour.

Mr. Osmers. Anything else with it?

Mr. Elmer Watson. No, sir.

Mr. Osmers. How does that compare with what you could make in Virginia?

Mr. Elmer Watson. It was a little better.

Mr. Osmers. What were you making in Virginia?

Mr. Elmer Watson. We worked for 8 cents per hour.

Mr. Osmers. Did the Townsend Co. send for you?

Mr. Elmer Watson. Yes, sir.

Mr. Osmers. How old is your father?

Mr. Elmer Watson. Seventy years old.

Mr. Osmers. Who else made the trip from Virginia to Maryland?

Mr. Elmer Watson. Seven of us.

Mr. Osmers. Did they provide you with the work that they said they would?

Mr. Elmer Watson. No, sir; they did not give us any work. The winter cut us off.

Mr. Osmers. Did you get any relief?

Mr. Elmer Watson. Yes, sir.

Mr. Osmers. How much relief did you get?

Mr. Elmer Watson. We received $12.05, or $24.05 every 2 weeks.

Mr. Osmers. Then you received $48 per month?

Mr. Elmer Watson. Yes, sir.

Mr. Osmers. How long did the W. P. A. work last?

Mr. Elmer Watson. Four months.

Mr. Osmers. Then you went back to work on the farm?

Mr. Elmer Watson. Yes, sir.

Mr. Osmers. Have you been employed since then?

Mr. Elmer Watson. Yes, sir; since March.

Mr. Osmers. Are you still working?

Mr. Elmer Watson. Yes, sir.

Mr. Osmers. Are you glad you moved from Virginia to Maryland?

Mr. Elmer Watson. I do not see that we damaged ourselves by it.

Mr. Osmers. How about your school facilities?

Mr. Elmer Watson. The third grade was as far as I got.

Mr. Osmers. I was thinking of the facilities in Maryland as compared with those in Virginia for children.

Mr. Elmer Watson. I believe they are better in Maryland.

Mr. Osmers. Did both of you go to the third grade?

Mr. Edgar Watson. No, sir; when I got big enough to go to school, I had to go to work.

Mr. Osmers. Have either of you worked in any other business except farming?

Mr. Elmer Watson. Yes, sir; most every kind of work.

Mr. Edgar Watson. I have done pipe-fitting work.

Mr. Osmers. Did you try to get a job in any of the defense industries?

Mr. Edgar Watson. Yes, sir; I have been to Philadelphia, Chester, Marcus Hook, and Wilmington, looking for work.

Mr. Osmers. Did you get any work?

Mr. Edgar Watson. No, sir.

Mr. OSMERS. Why not?

Mr. EDGAR WATSON. I do not know. They would not hire anybody unless he was a first-class mechanic or electric welder.

Mr. OSMERS. They had to be skilled workers?

Mr. EDGAR WATSON. Yes, sir.

Mr. OSMER. Did you try at the shipyards?

Mr. EDGAR WATSON. Yes, sir; at Salisbury. They said that they would open up in a few days, and would take on some people.

Mr. OSMERS. You have an application in?

Mr. EDGAR WATSON. Yes, sir.

Mr. OSMERS. You boys are of draft age, are you not?

Mr. EDGAR WATSON. Yes, sir.

Mr. OSMERS. How do you feel about it?

Mr. EDGAR WATSON. Very nice.

Mr. OSMERS. Did you draw lucky numbers?

Mr. ELMER WATSON. No, sir; I got one of the low ones.

Mr. EDGAR WATSON. I think it is a good thing.

Mr. OSMERS. Have you given any consideration to enlisting in the Army at all?

Mr. EDGAR WATSON. I have had it in mind.

Mr. ELMER WATSON. One thing bothers me, and that is my father is 70 years old, and we have to take care of the family.

Mr. OSMERS. Those are all the questions I have, Mr. Chairman.

The CHAIRMAN. We thank you very much for your statements.

The committee will stand in recess until 2 o'clock.

(Thereupon the committee took a recess until 2 p. m.)

AFTERNOON SESSION

The CHAIRMAN. The committee will please come to order.

Mr. Evans, we will hear you as the first witness this afternoon.

TESTIMONY OF RUDOLPH M. EVANS, ADMINISTRATOR, AGRICULTURAL ADJUSTMENT ADMINISTRATION, DEPARTMENT OF AGRICULTURE

Mr. SPARKMAN. Will you please state your name, your official position, and address for the benefit of the record?

Mr. EVANS. My name is Rudolph M. Evans, Administrator, Agricultural Adjustment Administration, Washington, D. C.

Mr. SPARKMAN. You have furnished us with copies of your prepared statement, and that will be made a part of the record in its entirety. However, I wonder if you might not summarize your statement at this time for the benefit of the committee.

Mr. EVANS. Yes, sir; I will be glad to do that.

STATEMENT OF R. M. EVANS, ADMINISTRATOR, AGRICULTURAL ADJUSTMENT ADMINISTRATION

In my remarks this afternoon I am going to confine myself largely to a discussion of the Agricultural Adjustment Administration farm program in relation to the subject being studied by this committee. First of all, I am going to outline briefly what the Agricultural Adjustment Administration is doing to help remedy those great economic maladjustments that are at the root of the problem of migrancy, as well as the more general problems of unemployment and poverty.

There is no question but that the main single cause of migrancy is lack of income. If a farmer is making enough money, he will not lose his farm and go down the ladder to tenancy and sharecropping and migrancy. If a farm laborer is making enough wages, he will not be forced on the road in search of stray jobs. It is self-evident that the one thing people need, whether they live on the farm or in the city, is enough income for security and a decent standard of living.

INCREASE IN FARM INCOME

The triple A program during the last 8 years has made great strides in strengthening income and purchasing power on farms. Parity payments and conservation payments have put more cash in the farmer's pocket. Commodity loans have bolstered farm prices and increased the farmer's return from his marketings. The ever-normal granary has assured the farmer a steadier and more secure income through fat and lean years. Acreage adjustments and marketing quotas, by checking the tendency toward unmanageable surpluses, have brought farm prices up from the ruinous levels of 1932.

Under the farm program, farm cash income has nearly doubled in the last 8 years. In 1932 it was $4,682,000,000. In 1939 it was $8,540,000,000. Indications are that farm income will be close to $9,000,000,000 this year. Measured in terms of buying power—that is, taking into consideration prices paid by farmers as well as farm income—the farmer was able to buy in 1939 as much of the things he needed as in the so-called boom year of 1929. Last year he was able to buy 72 percent more than he was in 1932. The farmer's position, in relation to the national economy, has been improved tremendously. Farm income has been raised from about one-third of parity up to more than three-fourths of parity with nonfarm income.

Let me emphasize that the triple A is not relaxing its efforts to improve the income and buying power of farmers as long as agriculture is still at a disadvantage in comparison with the rest of the population. The more help the farmer gets through the Agricultural Adjustment Administration the less likelihood is there that the farmer will be driven into the numbers of those families who are on the road in search of lost opportunities. Increasing income for all of agriculture, from top to bottom, has kept a great many farmers from going down the ladder from independent ownership to tenancy or sharecropping and finally to migrancy.

AGRICULTURAL CONSERVATION

One of the great causes of low income on farms, and consequently one of the major causes of farm migrancy, is the exhaustion of the soil in America. In the cause of time 100,000,000 acres of precious topsoil have been ruined or nearly ruined for cultivation. Another 100,000,000 acres have been seriously damaged. And on another 100,000,000 acres erosion has already begun in a noticeable degree. The most dramatic evidence of the exhaustion of land is found in the floods and droughts and dust storms that we have had in recent years. Studies have shown that a large proportion of migrants come from these devastated areas.

The Agricultural Adjustment Administration is doing its part to check these ravages of nature. About 6,000,000 of the Nation's 7,000,000 farmers are cooperating with the Agricultural Adjustment Administration to carry out the agricultural conservation program on more than four-fifths of the Nation's cropland. We have made great headway by taking acreage out of soil-depleting crops and planting it to soil-building and soil-conserving crops. We are giving more and more help to farmers in carrying out conservation practices that build up the fertility of the soil. This effort is a long, uphill task that is far from finished. In fact, indications are that even now soil fertility is being depleted faster than we are able to restore it. If we are going to keep farmers on the land, and if we are going to put the land into proper condition so that farmers can make a living on it, the agricultural conservation program will have to go forward at an increased pace.

Perhaps the best guaranty against agricultural migrancy is the encouragement of family-sized farms with good soil and sufficient income. The Agricultural Adjustment Administration is taking four important steps to encourage the maintenance of such family sized farms:

1. A proportionately larger amount of Agricultural Adjustment Administration payments goes to small and middle-sized farmers. In 1938, the last year for which

a complete break-down is available, nearly four-fifths of the agricultural conservation payments were $100 or less, and almost nine-tenths of them were $150 or less.

2. Certain conservation practices are especially designed to help farm families supply a larger portion of food from their own farms. The planting of orchard trees enables more farmers to raise their own fruit. Pasture and grazing practices encourage farmers to produce enough dairy products to fill out deficiencies in their diets. In areas where garden plots need to be encouraged, a special Agricultural Adjustment Administration payment has been made available for the cultivation of garden plots so that farmers can raise more vegetables on their own land.

3. Under the Agricultural Adjustment Act of 1938 a schedule was set up to increase Agricultural Adjustment Administration payments of less than $200. This schedule is as follows:

Payment earned:	*Amount of increase*
$20 or less	40 percent.
$21 to $40	$8 plus 20 percent of amount over $20.
$41 to $60	$12 plus 10 percent of amount over $40.
$61 to $185	$14.
$186 to $200	Enough to increase payment to $200.

4. Under the agricultural conservation program any farmer is able to earn at least $20 by complying with special acreage allotments and by carrying out certain soil-building practices. If a farmer would ordinarily earn less than $20 by planting within his allotments, he has been enabled to carry out soil-building practices so that he can earn a total payment of at least $20.

In telling you what the Agricultural Adjustment Administration is doing to help the small and the family sized farm, I am not saying that we have been able to do everything that needs to be done along this line. If Congress provides sufficient funds and gives us the necessary authorization, we are more than willing to go a great deal farther in this direction.

I want to call to you attention some special provisions in the Sugar Act which tend to prevent farm migrancy. In order to be eligible for sugar payments, each farmer is required to pay fair minimum wages to the workers he employs. Moreover, the use of child labor is prohibited. Through these standards of eligibility for sugar payments, there has been an improvement in some of the conditions that have in the past forced farm labor on to the road.

So far I have been telling you some of the things the triple A has done and is doing to strike at the root of farm migrancy. Now, I want to consider for a moment some of the main criticisms that have been levelled against the Agricultural Adjustment Administration in connection with the migrancy problem.

Some of this criticism has been sincere, and, to the extent that the triple A has been imperfect, we are ready to take steps to make any improvements that may seem necessary. However, certain criticisms of the triple A seem to be a deliberate attempt to divert attention from the real economic causes of migrancy. There are critics—too many of them—who are attempting to use triple A as a scapegoat so that folks will not think so much about the underlying causes of migrancy and the type of measures that may be necessary to combat those causes. That kind of criticism is not only insincere; it is dangerous for the welfare of the Nation itself, particularly in a time of international crisis such as today. We cannot afford to blind ourselves to deep-seated economic maladjustments that must be straightened out before the Nation is strong enough to defend itself against all comers.

By and large, migrancy, unemployment, poverty, and inadequate income arise from the economic circumstances that have characterized this century, particularly since the end of the first World War. In our lifetime, we have seen the closing of the western frontier which formerly created unlimited opportunity for millions of Americans. We have seen the exhaustion of our topsoil, which at one time produced riches for nearly everybody who lived on the land. We have witnessed the loss of a great share of our foreign trade because of nationalism, world-trade barriers, and, finally, war in Europe and Asia. We have discovered that business and industry and agriculture have lost customers at home because immigration has almost ceased and because our population has slowed down in its rate of growth. All these economic trends spell out the characteristic feature of our age, an age in which economic expansion simply will not take place automatically as it did in years gone by. We have been forced to make adjustments to a new age, an age in which people, through their government, have had to rely on deliberate and positive planning to open up opportunities in America for the unemployed, for young folks just starting out in the world, and for millions of families whose income has been too small for an adequate standard of living.

We will not get anywhere if we dismiss the problem of migrancy by simply saying that it comes from mechanization of agriculture and industry, or from seasonal employment in agriculture and industry, or from similar causes that we could not stop if we wanted to. We have a bigger task on hand than merely tracing out the immediate causes of such great problems as migrancy. Our task is to work out practical measures that will help the Nation make a transition from an era of external expansion to an era of internal growth. We can no longer get rich by moving westward, by capturing world markets, or by exploiting the resources of our own land in this country.

The greatest fields for pioneering today are in taking care of the aged, in giving youth a start in life, in finding productive work for the unemployed, in taking care of our land, in strengthening the buying power of low-income families, and in raising the standard of living of people generally.

When we come to the point of suggesting remedies for the evils of migrancy, we will have to propose measures big enough to wipe out unemployment and poverty, big enough to create a secure and abundant life for all American citizens living on farms or in towns and cities. Later on I am going to make a few recommendations about the role of triple A in raising living standards on the farm.

AAA PAYMENTS TO FARMERS

For the moment I want to discuss a line of argument that has been made in the hearings before this committee and elsewhere. It has been said that Agricultural Adjustment Administration payments have made big landlords so prosperous that they buy up more acreage and more tractors, thus driving owners, tenants, and workers off the farm.

It should hardly be necessary to point out that the trend toward mechanized, large-scale farming, especially in certain areas and for certain crops where it has proved more efficient, has been going on for a long time—long before triple A. If the farm program were to be eliminated, this trend would undoubtedly continue just the same. Nothing is to be gained by complaining about machines or attempting to stop their use. Our assignment is rather to use machines for the creation of more income and more wealth for all of the people. Similarly, the trend toward large-scale farming operations would unquestionably continue if we had no farm program. The main difference would be that big landowners would acquire more farms by foreclosure and bankruptcy rather than by purchase. If the farm program were to be abandoned or weakened we could expect a tremendous increase in absentee ownership by corporations, because more and more small-farm owners would go broke. Banks, insurance companies ,and other big landowners would take over their farms by the process of mortgage foreclosure.

The fact is that most farmers lose their farms because they are loaded with the burden of debt which they cannot pay off because their income is too small. During the last 8 years the farm program has gone a long way toward reducing the farm-debt burden and increasing the farmer's income. The result has been less farm debt, lower interest rates, and fewer farm foreclosures. Since 1932 farm mortgage debt has been reduced by about two and one-fourth billion dollars. In the year ending March 15, 1933, there were more than 54 foreclosures and other forced sales of farms for every 1,000 farms in the country. In 1939 less than 17 out of every 1,000 farmers lost their farms by these causes. I do not maintain that the farm program can claim all of the credit for this reduction in farm debt and for the decline of almost 70 percent in foreclosures and other forced sales, but I am sure that the doubling of farm income in the past 8 years has prevented hundreds of thousands of farm families from being driven off their farms.

It has been said that triple A payments are not divided up properly between big and little farmers—that large operators get too much and that small farmers get too little. I have already pointed out that nine-tenths of the payments are in small denominations. I have mentioned that the rates of payment have been revised so that small payments are increased. In addition, there is a maximum limitation of $10,000 on the conservation payment that can be made to any one farmer. I might point out also that all payments are made uniformly according to formulas specified by Congress. Parity payments, for instance, depend mainly on the average price of the basic commodity in relation to its parity price. Conservation payments are based upon a set of rates established for specified practices. In other words, the Agricultural Adjustment Administration has no authority to make an arbitrary decision to decrease the payment for one farmer and increase the payment for another.

It would be possible, of course, to amend the Agricultural Adjustment Act so as to place a further limitation on large payments and also to step up the rates of increase for small payments. If Congress contemplates such amendments, it would be necessary to consider the effect of these changes upon compliance with the program. This year about 82 percent of the Nation's crop land was included in the agricultural conservation program. A high degree of participation is essential if the Nation is to benefit from acreage adjustment and conservation efforts on a large scale. We would be defeating our own purposes if we changed the basis of Agricultural Adjustment Administration payments so drastically that there would no longer be sufficient inducement for large operators to cooperate in the program. If agriculture is to achieve the goals of its acreage-adjustment and conservation efforts, we must be sure that we have the greatest part of the Nation's crop land covered by the program.

CROP CONTROL

One of the most frequent criticisms of the triple A is that acreage adjustment has deprived people of a chance to earn a living on the farm. When people voice their objections to crop control, presumably they are advocating unlimited production on unlimited acreage. I have often wondered if such people are really willing to face the consequences of that kind of policy. I can tell you from experience just about what would happen if every farmer produced the maximum amount of crops from all the acreage he could cultivate. First of all, it would mean reckless devastation of the soil followed by flood and drought and dust storms and, incidentally, by an increase in migrancy from the farm. It would mean farm prices at least a low as those we had in 1932—and perhaps lower because of the loss of our foreign markets for farm products in recent years. It would mean that our basic crops would be so cheap that it wouldn't pay the farmer to raise them. In short, it would bankrupt all agriculture.

The experience of other countries that produce agricultural surpluses shows what can happen when there is no acreage adjustment program. The Argentine Minister of Agriculture, for example, has authorized the use of corn as fuel for railroads and other utilities. Surpluses have driven the price of corn down so low that it is cheaper to burn than coal, wood, or other fuels. In Canada, the wheat supply this year was twice as great as available storage facilities, and at harvest time nothing could be done with millions of bushels of excess wheat except to pile it up on the ground. On penalty of fine and imprisonment, Canadian farmers are not allowed to market more than a quota of 8 to 15 bushels of wheat per acre. It is no wonder that Canadian officials are turning their attention to our wheat program. If we had been without triple A in this period of crippled foreign markets, our export crops would be in about the same circumstances today as Argentine corn and Canadian wheat.

Perhaps the most thought-provoking criticism of the triple-A program in connection with migrancy is the statement that landlords sometimes attempt to increase the size of their payments by getting rid of some of their tenants or sharecroppers. Frankly, I do not maintain that this has never happened in any case, but I want to call your attention to the fact that the triple A has a very specific provision against this sort of practice. The Agricultural Adjustment Act provides that no landlord shall increase his payment by cutting down the number of tenants or by discriminating against them. The landlord is not allowed to reduce the number of tenants below the average of the preceding 3 years, and he is not allowed to make any change in his relationship with tenants or sharecroppers in such a way that his payments would be increased thereby. The only way in which the landlord is able to make any such changes is by obtaining the approval of the local triple A committee, and the committee will not approve any such change unless it has determined, after an investigation, that the step is both necessary and justifiable. Early this year Congress enacted an amendment to the Agricultural Adjustment Act which places the burden of proof in such cases squarely upon the landlord himself.

As I have said, I do not guarantee that this preventive measure has been

100-percent successful in each and every case, but I am emphasizing that the determination of any case is in the hands of the local committee which is elected by the farmers of the community each year. Every farmer who participates in the Agricultural Adjustment Administration program has the right to vote for the committeemen who operate the farm program in his locality If the farmers are not satisfied with their committeemen, they are free to elect new ones. If the farmers are not satisfied with either Agricultural Adjustment Administration legislation or Agricultural Adjustment Administration administration, it is their responsibility to see that appropriate changes are made.

All in all, the Agricultural Adjustment Administration farm program has done a great deal to prevent migrancy by aiding agriculture in many ways. It has almost doubled farm income. It has helped to reduce farm debt and farm foreclosures. It has stored up fertility in the soil so that farmers are better able to make a living on their land. Because the triple A has been built up and operated along strictly democratic lines, it has proved flexible enough to make any changes that conditions demanded. The farm program has improved steadily during the past 8 years and it is in process of improvement today. In particular, we are now extending our efforts to bring more help to the family-size farm and the low-income farm family.

RECOMMENDATIONS

So far as the Agricultural Adjustment Administration program is concerned, I have two major recommendations to make that I believe will help stem the tide of migrancy from the farm.

1. The first is obviously to strengthen and extend existing triple A measures all along the line. We need to go forward toward our goals—fair prices, adequate income, stable production, and supplies, improved soil, and higher living standards on the farm.

2. In addition, we must bring more and more farmers within reach of these triple A goals by raising participation closer to the 100 percent level.

The Agricultural Adjustment Administration will do everything it possibly can, directly and indirectly, to remedy the conditions that lead to migrancy. Triple A conservation and acreage adjustment will continue to build up the resources of the land, reduce the farmer's costs, and increase the efficiency of production. All phases of the Agricultural Adjustment Administration program will continue to strengthen farm prices and give the farmer a larger income. The function of triple A is to improve the Nation's agriculture generally, so that more and more farmers can make a better and better living on the land.

We have no illusions, however, that all of the problems of agriculture have been solved or that they can be completely solved under present conditions. There are several million farm families who simply find it impossible to make a decent living by tilling the soil. Many of them do not have enough acreage. Many of them are located on poor soil and are in debt up to their ears. Too many of them have become poverty-stricken tenants or sharecroppers or migrants in search of employment that isn't there. The Farm Security Administration has put hundreds of thousands of these low-income families back on their feet, and the triple A has improved their circumstances by putting agriculture on a better paying basis. However, even if farm income and prices were raised all the way up to parity, even if all of our cropland were put in the best possible condition, there would still be several million of these rural families who could not hope to make a living by farming operations alone.

More employment is needed—more jobs for rural as well as urban people. Plans for the defense program call for the location of plants in rural areas. It is my hope that employment in these decentralized industries will alleviate some of the problems of agricultural unemployment. It is also my hope that more public works projects will be carried on in rural areas to provide jobs for those who cannot make a living on the farm.

I am thinking of a family of five—and there are so many of them—living on a small farm which never produced enough to cover operating expenses, food and clothing, home and buildings, medical care, education for the children, and everything else that is involved in an American standard of living. Suppose one of the farmer's boys got a job in a nearby factory which had just begun to produce defense materials. Or suppose the boy began work on a public conservation project, for example. The extra income which that boy could bring into the family might be just about the difference between getting along and not getting along satisfactorily.

There are several million farm families like that. The only real hope they have for living a full life is outside of agriculture. In behalf of such stranded rural families—barely living on half rations extracted from a small parcel of poor land—I hope the committee will recommend broad measures for economic rehabilitation that measure up to the size of the problem.

TESTIMONY OF RUDOLPH M. EVANS—Resumed

Mr. EVANS. First, I want to say that we feel gratified at having an opportunity to appear before your committee and testify upon this rather important subject, because very frequently the triple A has been brought into the testimony before your committee, and many times I think some of the criticism that has been leveled at the act has been because of lack of full and complete information as to just what the act is.

We realize quite fully that one of the main causes of migrancy, of course, is the low income; another one is the depletion of the soil.

One of the main objectives of the Agricultural Adjustment Act is to conserve the soil by planting greater acreage with soil-conserving crops, and less acreage with soil-depleting crops, thereby making for better efficiency, with a greater opportunity for the farmer to succeed.

The other part of the triple A is to increase prices of agricultural commodities, which has been done to a remarkable degree, considering the handicaps under which they have had to operate. The agricultural income in 1940 will be close to twice what that income was in 1933, when this act came into being. And, insofar as the increase of income is concerned, that has been a help to the people who are having difficulty in staying on the farms.

Increasing the fertility of the soil is going on everywhere throughout the United States. Roughly speaking, our program now covers about 82 percent of the cropland of the United States and is participated in by over 6,000,000 farmers. So our progress along that line has been very good and very gratifying.

DIVISION AND AMOUNT OF AAA PAYMENTS

Some questions have been raised about the division of payments, and we had that checked up before I came up here. We find that in 1938, the last year for which a complete break-down is available, nearly four-fifths of the agricultural conservation payments amounted to $100 or less, and almost nine-tenths of them amounted to $150 or less.

When Congress passed the new act in 1938 they had made a special provision for small farmers by increasing their payments, according to the act, with which you are all familiar.

I think we should recognize the fact that we cannot continue to produce all of some of these major basic crops we have been producing in the past, because our program has curtailed the production of some of these crops. But, with the assistance of the loan program they have been able to get prices more nearly up to what they should have, although they are not yet at parity, which is the goal of the act. But we are trying to get there as fast as we can, and are making real progress.

I have just come back from a trip to Canada, where I was invited to talk to the Canadian wheat farmers, who do not have a program comparable to ours. Their situation is almost pathetic. They have produced so much wheat that they do not have storage space for it, and the Government has enacted a law to the effect that a farmer can only market from 8 to 15 bushels per acre, regardless of what he may have produced, and he cannot sell the rest, even if he may have found a buyer. In that way they are trying to hold the farmers down and to build up their program for the future. They feel that our program has done a great deal, and they are giving a great deal of attention to it.

In the Argentine, where they likewise do not have a program covering their major crop, corn, the Government has finally decreed that the corn could be used for fuel, in substitution for coal or wood, as we were using corn in the Corn Belt in 1932.

Those two illustrations, I think, relatively close at hand, indicate what is happening in major agricultural areas when they do not have a good farm program.

We would like to make a couple of major recommendations for the consideration of the committee.

The first is obviously to strengthen and extend existing triple-A measures all along the line. We need to go forward toward our goals, fair prices, adequate income, stable production and supplies, improved soil, and higher living standards upon the farm.

I am sure the committee will be interested to know that the more farmers operate under this program the more they believe we can have tighter control of production than even under the present program. In other words, as long as they have their own committees to administer the program they are not afraid of tighter controls than they have been having in the past.

In addition, we must bring more and more farmers within reach of these triple-A goals by raising participation closer to the 100-percent level.

I said 82 percent now participate in the program, and we would like to include a much greater percentage than that.

* * * * * * *[1]

I should have said something earlier in my statement that I forgot to say, and that is that the triple-A program has nothing to do with the increased mechanization of agriculture.

I think, as the committee has traveled over the United States, they have observed the increased use of Diesel-powered tractors in the Wheat Belt. I think probably without the triple A, with a lower farm income and more foreclosures, with the land going into the hands of larger operators, that you increase that much more rapidly for some of them, and those farmers probably can get along pretty well.

Mr. Sparkman. I was impressed with one statement in your treatment of this subject, in which you said, "We will not get anywhere if we dismiss the problem of migrancy by simply saying that it comes from mechanization of agriculture and industry, or from seasonal employment in agriculture and industry, or from similar causes that we could not stop if we wanted to. We have a bigger task on hand than merely tracing out the immediate causes of such great problems as migrancy. Our task is to work out practical measures that will help the Nation make a transition from an era of external expansion to an era of internal growth." I rather think that you have touched on something there that probably some of the other witnesses have overlooked. As I understand your A. A. A. program, that is the very thing you are trying to do.

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[1] Testimony here was identical with latter part of prepared statement, pp. 3229–3235.

Mr. EVANS. Yes, sir.

Mr. SPARKMAN. Not to cite the changes you recognize as more or less natural.

Mr. EVANS. That is right.

Mr. SPARKMAN. But simply to help make the adjustments necessary.

Mr. EVANS. Yes, sir.

Mr. SPARKMAN. I noted also your treatment of the criticism that a great part of the payments go to large landowners. I believe you said that four-fifths of the payments are $100 or less?

Mr. EVANS. Yes, sir.

Mr. SPARKMAN. And that nine-tenths of the payments are under $150?

Mr. EVANS. Those are the conservation payments out of the $500,000,000 appropriation. That does not hold true of the parity appropriation.

Mr. SPARKMAN. That does not hold true in the case of parity?

Mr. EVANS. That is correct.

Mr. SPARKMAN. There is a limitation on parity payments, is there not?

Mr. EVANS. I do not think so.

Mr. SPARKMAN. No limitation of the amounts? At any rate, the formula under which you work is laid down by Congress, and you do make payments in accordance with that formula?

Mr. EVANS. Absolutely. In triple A there is nothing we can do about it. That is set out very clearly in the legislation.

Mr. SPARKMAN. Is there any possibility that the commodity-loan program may gain greater emphasis next year in the way of increasing the farmer's income?

Mr. EVANS. I think some farm leaders I have talked with have that in mind as one of the tools of the act which can be used to get increased income. There is less disposition on the part of farmers to worry about the so-called regimentation of agriculture, so long as they elect members on their various committees, which I think is a very wise provision. They have such control that it does not bother them. We hear very little of it any more. We used to hear a great deal of it 4 or 5 years ago, but we do not hear it now.

FARM INCOME

Mr. SPARKMAN. You made reference to farm income in 1940, and said, as I recall, that it is about twice as much as in 1932. What are the figures?

Mr. Evans. I got it for 1932 and 1939 and 1940, and I think that must be the case, because the figures showed over $9,000,000,000, which would be about twice as much as in 1932.

Mr. Sparkman. In round numbers it would be $9,000,000,000?

Mr. Evans. That is right; close to twice what it was in 1932.

TENANCY

Mr. Sparkman. We have heard some criticism of the A. A. A. program and its effect upon this problem, running tenants off of farms, and encouraging, in some instances, commercial farms and industrialized farms. Do you have any statistics showing what effect it has had upon the tenancy problem, or upon the number of individual farms operated? In other words, how many people have you run off of farms?

Mr. Evans. We made a study of that at one time in regard to cotton farmers. The act is very specific and withdraws the benefits from anyone who attempts to improve his own position by taking something away from tenants, through overcropping, especially where they have sharecroppers. We find that we are making about as many checks for people in those areas today as we were under the old Bankhead Act. Of course, a man could stay out of the program for 3 years, and he could reduce his tenancy, and that would give him the number of tenants that would be satisfactory in the future for compliance with the act.

But I want to say for the people who are in the program in the cotton areas that I think they have been very conscientious, on the whole, although I think, without doubt, there are some cases where people are not cooperating. But by and large, the great majority of the people have lived up to the letter and spirit of that part of the act, and I think they are entitled to a lot of credit, because sometimes it has been a little bit hard.

Mr. Sparkman. Do you know what the census has shown as to the number of farms?

Mr. Evans. No; I have not seen those figures. The definition of a farm is something that you have to keep clearly in mind in judging the census figures. I do not know about this census, how it is made up, but some of the older censuses took in people in the small towns who were not farmers, according to any definition in regard to the triple A.

Mr. Sparkman. I know that is true, but in counties that are primarily agricultural, I should think whether there would be increases or decreases would be a very fair indication. Of course, I realize that is not true in all cases. I remember, for instance, that so far as the District of Columbia is concerned, I found out that there were a great many farms in the District of Columbia.

Mr. Evans. We have this further practice, that if anybody sends us a letter and says that a man that has cut off one tenant or several tenants, we have a man in that locality investigate that case, and we may hold up that man's payments.

Mr. Sparkman. As a matter of fact, your program really rests upon the committeemen in each locality.

Mr. Evans. Very much so, and Congress very wisely dealt with this matter, with very wide administrative powers for these committees, and I think they have dealt with this matter in a very fine way, as to whether the farmer has unjustly treated some of his tenants. I think they are really a pretty high type of people.

Mr. SPARKMAN. Those committeemen are elected, are they not?

Mr. EVANS. Yes, by the farmers in the county who are participating in the program.

Mr. SPARKMAN. You have committeemen in each locality, and then you have county-wide committeemen.

Mr. EVANS. Yes, sir.

Mr. SPARKMAN. Who are in turn elected by the local committees?

Mr. EVANS. That is right, one member of the local committee in the township or parish, and those people get together and elect county committeemen.

Mr. SPARKMAN. Then, in turn, there is a State committee elected.

Mr. EVANS. Yes, sir.

Mr. SPARKMAN. So practically the whole control is vested in the people who have put themselves in this program.

Mr. EVANS. The State committee is appointed by the Secretary, but to get the State committee you pick out the outstanding members of the county committees.

Mr. SPARKMAN. I think you said about 82 percent of the cropland is now covered?

Mr. EVANS. Yes; more than that.

Mr. SPARKMAN. I wonder what percentage of farms is included.

Mr. EVANS. I think that in that connection one's definition of a farm must come into the picture. I think the 82 percent is cropland. There are something around 7,000,000 farms, as I understand it, but the cropland is the land that is farmed.

Mr. SPARKMAN. I think we hear more criticism about the big farmers getting an unjust share of the money than any other one thing. As a matter, do you not go in primarily to encourage the small farmer, to encourage every farmer to comply with the program?

Mr. EVANS. Yes, sir; if you do not get the participation of the farmers, you do not keep production in line with the demand, and you would thus keep prices low.

In line with several suggestions by congressional committees, we have advised a minimum payment of $20, which any farmer can earn. We have felt that was a material help to some people who farm an unusually small acreage.

I know that in Texas they have made quite an effort to get home gardens, and we make small payments in those cases, and the women there have found that an advantage, and have come into the program, and they have had a large number of home-farm gardens established. Probably that can be carried out further. But if you are going to increase prices, you have to get control.

Mr. SPARKMAN. You keep in mind all the time in your program two objectives, to build up the soil and increase the income of the farmer?

Mr. EVANS. Yes, sir.

Mr. SPARKMAN. I have been very much interested in the program you have announced in my State, called the Alabama plan. I wonder if you can tell us something about that.

ALABAMA PLAN

Mr. Evans. The Alabama plan, while still experimental, seems to me a very constructive forward step. We were engaged in such a program in the triple A when we had the old commodity programs, which were put out by a Supreme Court decision. We just got started on the other one in 1939, and it looks to be a continuing program. Some of the people in Alabama have thought it would be a fine idea to go out to a farm and lay that farm out the way it ought to be farmed to get the best returns out of the soil, and still follow good, sound farming practice. Enough is known about the use of land now so that they can pretty well do that.

Well, it may require some shifts and changes in farming operations, changing this field here, and putting it on a more level place here, and so forth, and they set that up on the basis of a 5-year plan. They make it a condition of the triple A payment that the farmer make about a fifth of that progress each year, and they have a score sheet worked out by which they check to see whether he has made that amount of progress.

Mr. Sparkman. In other words, if he has followed the program on the 5-year plan, he must have completed the whole thing?

Mr. Evans. He will; and as far as the technicians can say today, he will then be farming his farm the way he ought to farm it in order to get the most conservation into his farming operations. And he will retire lands which are, for example, on too great a slope for cotton and wheat, and put them into timber, and so forth.

One of the big things that seem to me contribute to the hardships of some farm families is that they do not have enough acreage of good land to make a living unless some means is worked out to give them supplemental employment in factories during their off season. I mean that is something that we might just as well face, because if you attempted to give each one the number of acres he ought to have, you would have to remove some of those people from the land, because there is not enough good farming land.

Mr. Sparkman. We have heard some complaint from witnesses who have testified before us about the failure of landlords to divide up the benefit payments with the tenants as required under the program. Do many of those complaints come to you?

Mr. Evans. We get a number of complaints of that kind, and we always make it a policy to investigate each and every one of them. If there is any truth in the statements, we hold up the payments to the landlord until it is satisfactorily adjusted. I mean that is our obligation, and we meet it the best we can. I will say that, while I do not have any figure in mind, the total number of cases of that kind, from a percentage standpoint, is hardly anything at all.

Mr. Sparkman. I believe you said a while ago that as a whole you had found them sincerely trying to carry out the spirit of the program.

Mr. Evans. Yes, sir. The act provides that the payments shall be divided in accordance with the way the major crops are divided. It is a matter of record, and it is a custom in the communities, that the members of the local committee are local farmers, and they pretty well know, and I think they discharge their responsibility very well, indeed.

Mr. SPARKMAN. Has there been any tendency toward changing the method of contracting between the landlord and the tenant because of these payments?

Mr. EVANS. Sometimes I think there has been; but, once again, if they have changed the lease or the arrangement in such a way that they would benefit, we will hold up their payments. But, of course, the men can stay outside the program and we would not have any control over them.

Mr. SPARKMAN. As I understand, the only thing you look into is whether or not the contract made is a fair contract. If it appeared to you to be unconscionable, then you could hold up the payments?

Mr. EVANS. Oh, we would hold them up.

Mr. SPARKMAN. And, as a matter of fact, again, the local committee is the one to pass upon that?

Mr. EVANS. The local committee is the one to pass upon that, and I think rightly so, because they are familiar with the affairs in that community.

Mr. SPARKMAN. They usually control themselves in accordance with local customs?

Mr. EVANS. Oh, yes.

Mr. SPARKMAN. Mr. Evans, I happen to be a farmer myself down in Alabama on one of those little poor farms that you describe, and I want to say that your program is doing a great deal of good, and I do not know where we would have been without it.

Mr. EVANS. Thank you, sir.

Mr. SPARKMAN. That is all, Mr. Chairman.

DISTRIBUTION OF PAYMENTS

Mr. OSMERS. This subject has been touched on, Mr. Evans, but I would like now to get a little more information, if I can, about what seems to be the abnormal proportion of your money going into the hands of a very few people. I believe that in the State of California 2 percent of the farmers get 60 percent of the dollars.

Mr. EVANS. Are you taking into account the sugar payments there? You must be.

Mr. OSMERS. Well, I presume they are taken into account.

Mr. EVANS. The sugar payments are not subject to the same regulations with regard to the small farmers as the triple-A payments are.

Mr. OSMERS. Well, that would not, to my mind, alter the general relationship.

Mr. EVANS. It would alter the figures, because the sugar payments in California would be very, very large, and they might go to a relatively small number of farmers.

Mr. OSMERS. But does not that same ratio hold true in other sections of the country, even though it might not be 60 percent? I mean, for instance, in the cotton South about a third of the money goes to about 5 percent of the recipients, does it not?

Mr. EVANS. I would not want to answer that question directly, because I do not have the figures with me, but I think your figures are high. I can look it up and furnish it for the record, if you want me to.

Mr. OSMERS. I was looking into your statement here——

Mr. EVANS (interposing). Nine-tenths of the payments, I believe I stated in my statement here, are $150 or less.

Mr. Osmers. On page 3 of your statement you mention that nearly four-fifths of the payments were $100 or less, and that almost nine-tenths of them were $150 or less.

Mr. Evans. That is correct.

Mr. Osmers. Now, that, of course, makes a very impressive figure; but when you compare that with the number of dollars, merely the number of payments would not necessarily have any bearing.

Mr. Evans. That is true. Of course, the payments are limited to $10,000 for any one individual.

Mr. Osmers. Yes; I know they are, and that is a pretty substantial payment. I just wondered whether, in your opinion, Congress should, in writing the next agricultural bill, do something about changing that situation; maybe reducing it from $10,000 to $5,000, or even less than that. It has been stated here that we are trying to encourage the farm family, the family unit.

Mr. Evans. That is right.

Mr. Osmers. Now, it has been suggested that there might be some kind of limitation as to farm ownership; that we might exclude certain types of farm operations entirely from the benefit payments of the triple A.

Mr. Evans. Well, the thing that you would have to keep clearly in mind in considering a proposal of that nature would be this: That if you do not get participation in your program high enough to control production effectively, you will have a lower price for all the commodities that are raised. In other words, if the program is to be fully effective, you must have a high percentage of the land in the program, so that you do get control of the production. Without the control of the production in this country, in my judgment—and I only base it upon what we see in Canada, the Argentine, and Brazil——

Mr. Osmers (interposing). I can see the validity of that point.

Mr. Evans. You would get right down to 25-cent corn, 50-cent wheat, and 5-cent cotton. I am sure of that. Now, we must have that participation, and you must keep that clearly in mind in weighing a proposal of that kind.

Mr. Osmers. Then would it come down to this: That there are some farmers in this country that will stay in the program for $10,000 but not at $5,000?

Mr. Evans. I think that is true; I mean, we might as well face that fact, under a voluntary program.

Mr. Osmers. It might not be worth while for them to come in at less than that, because with a limited production they might be better?

Mr. Evans. We have illustrations of that kind right today. I mean that the program has raised prices up where some fellows can stay outside the program and put in an increased acreage, and because of the volume they do better, but they only do better because this great bulk is protected. And we do not want to squeeze that down. As I say, in Canada the Government says, "You are just in, and that is all there is to it."

Mr. Osmers. I think that is all.

Mr. Curtis. Mr. Evans, you referred to a study having been made in the Department of Agriculture on the question of the farm program displacing farm tenants and sharecroppers. When was that study made?

Mr. Evans. It was made several years ago, and it was just a check on the basis of the number of checks that were issued to farmers. That is about the best way we could make a check of that kind. I mean, if you got more or less farmers, you would have more or less checks. And on the whole we did not find, in the cotton country, where this complaint was made, that the statement was quite true. And always, in considering that, I think you want to keep also in mind that we have control only over those farmers who participate in the program.

Mr. Curtis. My question was: When was this study made?

Mr. Evans. I think about 2 or 3 years ago.

Mr. Curtis. You do not recall which year it was?

Mr. Evans. No; I do not.

Mr. Curtis. Was there not a study made by the Department of Agriculture other than just the tabulation of the number of checks made?

Mr. Evans. There may have been. I do not recall it. I was just thinking of the one that we made.

Mr. Curtis. Now, as to the number of checks issued, don't they issue a check on different farm units, even though they go to the same person?

Mr. Evans. No; everybody gets his check, if he participates in the program.

Mr. Curtis. Yes, I understand. But if one man has owned several farm units, he does not get his payment in one check, does he?

Mr. Evans. He may be a landlord. He may own four or five farms and have different tenants, and he gets a check on each farm, I think; unless he has put it into one farm unit, and then he would get one check; but it would be considered one farm in that case.

Mr. Curtis. When did you become Administrator?

Mr. Evans. In October of 1938, I guess it was; about 2 years ago.

Mr. Curtis. I think this study that I was referring to was made some time before that.

Mr. Evans. I see.

Mr. Curtis. Do you know anything about that report?

Mr. Evans. No, sir; I do not.

Mr. Curtis. I think that is all.

Mr. Osmers. I do not have any further questions to ask, Mr. Evans, but I wonder if it would be possible for you to submit to the committee a table that would show us what proportion of the triple A payments goes to the largest 5 percent of the recipients?

Mr. Evans. Certainly; I will give it to you.

Mr. Osmers. When I say the largest 5 percent, I mean the largest recipients.

Mr. Evans. I know what you mean. You mean in money.

Mr. Osmers. In dollar value; yes.

Mr. Evans. I will be glad to give it to you, or anything else that you wish.

The Chairman. Regarding that, you can send it here at any time, and we can have it inserted in the record.

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Washington, D. C., January 29, 1941.

Hon. RICHARD S. BLAISDELL,
Editor, Special Committee on Interstate Migration,
House of Representatives.

DEAR MR. BLAISDELL: On December 20 there were submitted to Mr. Tolan three tables relating to the distribution of payments by size-of-payment groups under the 1938 conservation programs. These tables were submitted in accordance with Mr. Tolan's letter of December 3.

Since it appears from your letter of January 21 that you merely desire information as to the proportion of payments going to payees receiving the largest payments, there is enclosed herewith a table relating to the 1939 program from which such information may be derived. For example, 5 percent of the payees receiving the largest payments received about 32 percent of the total payments. You will note that this group begins in the $200 to $300 size group.

The distribution of payments under the 1939 program is somewhat different from that under the 1938 program, especially in the higher payment group because of the fact that the provision of the Agricultural Adjustment Act of 1938, as amended, which limits the payments to $10,000 was effective for the first time under the 1939 program.

Very truly yours,

H. B. BOYD, *Acting Administrator.*

Enclosure.

Estimated percentage distribution of number of payees and amount of net payments by size-of-payment groups, 1939 conservation programs

Size of payment	Number of payees as percent of total	Amount of net payment as percent of total
	Percent	*Percent*
$0 to $20	24.77	2.94
$20.01 to $40	22.20	7.92
$40.01 to $60	14.72	8.75
$60.01 to $100	16.01	15.23
$100.01 to $150	9.02	13.40
$150.01 to $200	5.36	11.14
$200.01 to $300	4.03	11.97
$300.01 to $400	1.69	7.03
$400.01 to $500	.82	4.40
$500.01 to $1,000	1.04	9.28
$1,000.01 to $2,000	.25	4.40
$2,000.01 to $3,000	.05	1.41
$3,000.01 to $4,000	.02	.73
$4,000.01 to $5,000	.01	.45
$5,000.01 to $10,000	.01	.95
Total	100.00	100.00

Source: Office of the Administrator, Agricultural Adjustment Administration, Jan. 28, 1941.

Mr. OSMERS. Mr. Evans, you made the statement that the Secretary of Agriculture selected the State committees?

Mr. EVANS. Yes, sir; all except the Extension Director, who according to the act is a member of the committee.

Mr. OSMERS. Is that by regulation set-up, or does the act provide it?

Mr. EVANS. The act provides for the establishment, for the size of the committee, and the method of selection. We have made a practice of selecting members of the State committee from county committeemen who have done an unually good job, and we try to get a geographical selection. But they are farmers who live on farms and who have operated the program successfully in their own localities.

Mr. OSMERS. I think that is all.

The CHAIRMAN. Thank you, Mr. Evans, for your very valuable statement.

Mr. EVANS. Thank you, sir.

The CHAIRMAN. Dr. Taylor.

STATEMENT OF DR. PAUL S. TAYLOR, PROFESSOR OF ECONOMICS, UNIVERSITY OF CALIFORNIA, BERKELEY, CALIF.

The CHAIRMAN. Doctor, will you please give your full name and address and your present position?

Dr. TAYLOR. Paul S. Taylor, professor of economics, University of California, Berkeley, Calif.

The CHAIRMAN. Now, Doctor, before you get into the analysis of your very well-prepared, valuable and intelligent statement, and without going deeply into the problem whatever from a personal standpoint, I would like to have you relate to the committee what attracted you personally to this problem, because I look upon you really as the creator of the resolution under which this committee was appointed. You first convinced my son and secretary, and then he convinced me. So, as we go throughout various parts of the country, people ask us who first started this, and I think you were the one who first started it; and I wish you would be kind enough to tell us what attracted you to this problem, and what you saw.

Dr. TAYLOR. Yes, Congressman. I will put it in very personal terms.

I was asked in early 1935 by the Division of Rural Rehabilitation of the California Emergency Relief Administration to take a look at the rural relief problem in our State, to see what its component elements were, and what might be done about it. So I got in a car and started down the highway. I went to the pea harvest, where the migrants were at work in the fields.

I drove from the San Louis Obispo country down to Pomona and the pea fields at Calipatrio and the Imperial Valley, and I had not gone far before I realized that something fundamental was happening in our rural sections. I had seen, years before, a great number of Mexican agricultural laborers. I was astounded to find that within the course of 4 or 5 years the complexion of the labor supply was enormously changed. Here I saw pea pickers from Vermont, Oklahoma, Arkansas, and Texas, and on the cars gathered around the fields licenses from other States.

The Mexicans were still there, but proportionately fewer than I had been accustomed to a very short time before. As I went down the highways, I saw more and more dilapidated cars, obviously filled with families with all their household possessions. They had trailers, bedding, stoves, and so forth; and where they were pulled up by the roadside to fix a tire, or tinker with the engine, or to get gas and oil, I stopped my car, too. I talked with them; asked where they came from; asked why they came. The first answers were: "Blowed out," "burned out," "dried out"; and it was not, as a matter of fact, for about a year and a half or 2 years that I found out that other forces also were expelling them from other States and sending them to our own. The way I found out what was at work in other States besides the forces of nature was by following back the trail of the people who came to our State. I went to the State border at Fort

Yuma; I stood at the inspection station of the State Department of Agriculture; watched these cars go through, and asked by which routes they had come, from what counties of what States, and then I worked eastward, always with the flow coming west as I drove east.

One afternoon in Texas, in the Panhandle, driving along in the latter part of the day, I noticed as I approached a small village a large number of houses with the windows boarded up, apparently unoccupied. There were small business buildings, a blacksmith shop, and one or two buildings of that sort, evidently no longer in operation. It struck me at once to wonder why this village was no longer occupied? So I drew up at the gasoline station, had five gallons put in the tank, and while I was being served, asked the attendant how it happened that his village seemed to be depopulated; and the answer came immediately: "Why, it is the tractors."

In the course of a short time, the next morning, the service-station attendant, who is also the Federal postmaster, driving about the countryside in our car, pointed out house after house where exactly the same situation prevailed as in the village—the fields cultivated right up to the house, the windows boarded, all occupants gone; and when I asked where, it was either to the East, to the sandhill country, and poorer farms, west into Arizona, or into one of the neighboring towns for relief.

So, in brief, the way I found out about the problem was by following the trail of the migrants themselves, and they successively told me what it was about.

The CHAIRMAN. And you came to the conclusion that it was really a national problem, did you?

Dr. TAYLOR. I came to that conclusion from the evidence which they presented themselves.

The CHAIRMAN. For what period of time did these personal investigations of these complaints continue?

Dr. TAYLOR. These investigations which I have made have continued ever since 1935. I have not been continuously in the field, but every year, at some time, I have been in the field.

The CHAIRMAN. When you made these trips, Doctor, were you alone?

Dr. TAYLOR. My wife, Dorothea Lange, and I have done a good deal of the field work together, and I think the evidence of her photographs is familiar to this committee.

The CHAIRMAN. Yes. Doctor, that is very interesting. Now, I am going to direct your attention to your statement which, as I say, is very valuable.

STATEMENT OF DR. PAUL S. TAYLOR

FORCES THAT JEOPARDIZE THE SECURITY OF FARM PEOPLE

In American agriculture today are forces which jeopardize the security of a substantial proportion of our people who make their living from the land. These forces—notably in the Cotton and Wheat Belts—already contribute to the streams of destitute people who cross State lines, and who constitute the subject of your inquiry. Many persons have assumed, however, that the stability of our Corn Belt was so assured that nothing could seriously threaten the structure of farming and the position of farmers in the great granary of the upper Mississippi Valley. Perhaps for this reason the chief investigator of your committee has requested me to present to you the results of some observations which I made recently in the Corn Belt.

The processes of mechanization, which for some years have been moving rapidly in wheat and cotton, now show clear signs of acceleration in the Corn Belt. A complex of forces, among which machinery is outstanding, already is beginning to produce profound social changes. The wide adoption of corn pickers, tractors, pick-up hay balers, and the spread of good roads and rubber tires are eliminating farm families or reducing them in status and making of farming more and more a commercialized enterprise. This is on land where once the Homestead Act was the ideal, and where its pattern of independent, working farmers was roughly achieved in fact.

Machinery is advertised to save labor, and purchased because it does. A well-known mechanical corn picker is sold with the following appeal:

"Little or no outside help is required when you use a * * * picker to harvest your crop. It takes only one man to operate both tractor and a picker. Thus the problem of finding and boarding a large crew of outside help at corn-picking time is eliminated and the women folks, too, are relieved of worry and extra kitchen work."

To be sure machines lighten the burden of toil, save labor of the family, and reduce the farmer's dependence on outside help. But they also deprive wage earners of the farm employment upon which they are dependent. Only last August Professors Case and Wilcox of the University of Illinois called sharp attention to this fact:

"One of the unfortunate aspects of all these changes—more mechanization and less labor entering into crop production—has been that the farm affords less opportunity for employment. On the cash-grain farms in the study, the number of laborers hired declined almost in proportion to the reduced labor requirements for crop production."

Reports of the Illinois Emergency Relief Commission as early as 1938 show how quickly the public welfare agencies must begin to share the cost of this lowered demand for farm labor.

A second effect of mechanization is the displacement of farm operators, especially tenant farmers. Basically, the impulse to displace farmers rests on this simple economic fact: A most effective way to reduce per acre and per bushel costs of power is by increasing the size of farm in order to lengthen the hours which power machinery works. Professors Case and Wilcox in their bulletin, Organizing the Corn Belt farm for profitable production, state plainly this principle of the economy of using farm power to its capacity:

"The cost of power is one of the largest items of expense in operating farms, frequently amounting to 25 percent of all operating costs. * * * Interest on the money invested in a tractor and depreciation—two items which remain the same regardless of the number of hours a tractor is used—make up the biggest part of the cost of operation. The hour cost is therefore markedly influenced by the number of hours the tractor is used."

Studies of actual farm records by the Purdue Agricultural Experiment Station and the college of agriculture of the University of Wisconsin show conclusively that per acre investment costs of power and machinery are materially lower on larger farms than on smaller. A Purdue bulletin entitled "The Cost of Using Farm Machinery in Indiana" sums it up in the statement that "Noticeable economy is effected in per acre cost, investment, and repair cost of machinery as size of farm increases." Professor Case points the clear application:

"The introduction of mechanical power and larger-sized equipment makes it possible for the same number of farm workers to operate a larger acreage. Furthermore, the desire to have a full line of mechanized equipment means a heavy overhead expense unless the area operated is somewhat larger than it is on many farms. The advantage is obvious, more economical production can be secured if operators do a good grade of farming."

As one travels through the Corn Belt it is plain to be seen that enterprising operators are recognizing this fact and are enlarging their farms to take advantage of it. Authorities within the Corn Belt already are noting this with some regret. As recently as last August the two Illinois agricultural economists quoted earlier wrote in their bulletin Twenty-five years of Illinois crop costs:

"Many other farmers, in order to reduce the overhead cost of operation and to make use of labor released by mechanical power and large-sized equipment, have taken on additional land, either by rental or by purchase, and have thus increased the size of the farming unit. * * * The results of this tendency have not been entirely satisfactory, because, for one reason, the increasing of the size of farming units has resulted in fewer farms and consequently in forcing some tenants off farms at a time when other employment has been difficult to obtain" (Wilcox and Case, bulletin 467, p. 403).

To be sure, farms have been slowly enlarging since original settlement of the Corn Belt, but now they are enlarging much more rapidly and becoming more commercialized, and there is neither a new West as there was 50 years ago, nor an expanding industry to offer haven to the displaced. As Prof. H. C. M. Case stated in September:

"The settling of new areas, especially in the Dakotas, Minnesota, and Canada, made it possible for many tenants with small savings to become farm owners through the purchase of low-priced land or the homesteading of new land. Farmers leaving the old established farm areas like the Corn Belt gave many young men in these areas an opportunity to become farm tenants and to take over farms which were vacated by tenants moving into new areas. At the present time, however, the agricultural area of the United States has ceased to expand. Now the competition is for farms which are already established."

The keenness of this competition is reflected in the impressive statistics which earlier witnesses presented to your committee of 25,000 farmers unable to find farms to rent in the Corn Belt. The distress of those farmers already dislodged and the deep-seated fears of more thousands of tenant farmers still on the land but insecure, are registered in the editorial, special feature, and farmers' correspondence columns of Wallace's Farmer and Iowa Homestead, the Des Moines Register, the Bloomington Pantagraph, and other papers of the Middle West, and in the sober looks and speech of farmers when the subject is raised.

Mechanization moves progressively into every phase of farm production. Rubber tires on tractors are followed by rubber tires on combines, plows, and other machinery. The increased mobility which this provides makes it possible to enlarge farms by renting fields 1, 2, 5, and even more miles distant. Headlights make possible night work by shifts. Pick-up hay balers, mechanical feed hoists, and assembly-line lay-outs bring industrial methods to the handling of forage crops and the feeding of livestock. Mobility of labor and machinery makes it possible with but little manpower to deliver great work power within a very few days and over a wide radius. Farms grow in size more easily since fields no longer need be contiguous. At point after point the bottlenecks which have held Corn Belt farming to a moderately small family operation are being broken.

A striking example of the possibilities of farm consolidation on good land was described to me by an enterprising operator in Iowa who is enlarging his farm. About 3 years ago he began to add to his home farm of 200 acres by leasing successively 40 acres 3 miles away, 440 acres 6 miles away, and 320 acres 75 miles away. He operates the entire 1,000 acres of the best cash-grain lands of Iowa with two laborers hired by the month, and a little help in summer from his young boys, and he now runs a large business in town besides. Sensitive to public opinion he says: "Every farmer in the State who is not secure in his ownership is scared that he may lose his land by consolidation. The tenant who loses his place has no chance, absolutely no chance, to find a farm here in the good land."

The effects of farm consolidation often are seen in a chain of successive displacements, reports this operator. A western Iowa tenant moved off the best land by consolidation moves with his equipment into southern Iowa where land is poorer, and where he can outbid tenants already there because of his superior equipment and ability. The tenant so displaced then moves to the poorer lands of the Ozarks in Missouri, or Arkansas, displacing a family there, either by leasing or purchasing their land. These are areas, as your committee already has been told, from which streams of families migrate to the far West. Thus consolidation of farms in the Corn Belt transmits a series of shocks, the last of which may be visible as the flight of an Arkansas or Missouri family across the country to Arizona or California. Or, as a middle western farmer put it, "They go over like a row of dominoes."

A third effect of mechanization is to reduce farm laborers from their traditional status as "hired men," living in something like social equality with their employer and with opportunity ahead, to a status approximating that of the lower grades of industrial workers. For those who are unable to remain on the farms as operators of machines, or to find a place in industry for which they are not trained, this is the prospect. It is described by a report from the Illinois Emergency Relief Commission in 1938:

"* * * farm operators have in large measure discontinued giving foodstuffs and shelter in addition to wages, regarding their workers more as employees in other industries. This circumstance may contribute to another phase of the problem since it tends to result in the use of casual and transient labor, especially in seasons of greatest need. This results, as pointed out by the representatives of the Farm Bureau, in absence of needed skills. The

Farm Bureau particularly emphasized the fact that a man doing only occasional farm labor, even if this has been his principal occupation, may now be helpless under present day farm mechanization."

Sons of farmers are among the victims of mechanization and consolidation along with other laborers. A recent bulletin by Case and Wilcox of the Illinois Agricultural Experiment Station states:

"The sons of farmers are finding, as they approach maturity, less opportunity of becoming established as farmers themselves. There are not so many farms for rent; and the opportunity to get a start by working as a hired laborer has been reduced."

A fourth effect, attributable in part to mechanization, is the decline in status of tenants. Not only are many individual tenants themselves reduced to labor status, but those who remain tenants find themselves in a position in which, as one put it, "The landlord has the whip hand." The Bureau of Agricultural Economics has described this lowering of tenant status in its August 1940 report on "Technology on the Farm":

"The result (of mechanization in the Corn Belt) is greater competition for land and a consequent increase in the rents. The common practice of charging cash rent for use of buildings, pasture, and land not in cash crops on share-rented farms permits an increased rent for the farm without changing the sharing of cash crops. When adjustments in rent of this type are made, the benefits of new developments are shifted from the tenant to the landlord."

During my researches last summer in the Corn Belt I noted four current phases in the reorganization of agricultural work that seemed particularly significant:

1. Enlargement of farms under a single operator.
2. Growth of professional farm management services for absentee owners.
3. Custom work as potential displacer of farm operators.
4. Cooperative ownership of mechanical equipment.

1. Enlargement of farms under a single operator· This process, as I have described it, may represent either expansion of the lands operated by a working farmer or a working farmer and his sons to, say, 400, 500, or 800 acres, or it may represent large farms operated by a manager using hired laborers. Of the latter type, by all odds the largest wage-labor operation which I saw was a 9,000-acre corporate grain and livestock farm in Ohio.

2. Growth of professional farm management services for absentee owners. One of these services, in a pamphlet entitled "Agricultural service for absentee owners," states that it "was organized and is conducted by master farmers to give the nonresident landowner competent and permanent management of his farm lands, such as he would provide himself, were he living near the farm and qualified to do so." Services of this type are numerous enough in the Corn Belt to have formed a professional society. The economic basis of managerial service is superior skill of professional managers over other farm operators, and the possibilities of collective buying and marketing, and of unified operations. These services offer genuine benefits to the landlord and to the land itself, and doubtless to some tenants. But it is equally plain that they promote (1) absenteeism, by making it profitable; (2) united control of large acreages; (3) large-scale operations, by developing and utilizing its economics. These results, of course, are no part of the pattern contemplated by the Homestead Act.

How far absenteeism, represented by ownership of farms by city and town businessmen and by industrial cooperation, has advanced in the Corn Belt is not clear. There are indications that its growth is significant. One of the management services referred to earlier has among the 190 properties which it operates for "the nonfarming farm-owner" a 2,000-acre farm owned by a railroad. On my train enroute to Washington the sales manager of a national manufacturing corporation with Ohio headquarters told me that among businessmen in his part of the country "it's now the rage" to buy farms, partly for diversion instead of golf, partly as a safe place to put funds; indeed in some cities these businessmen have formed "farmers' luncheon clubs." The extent to which industrial corporations are using their position to buy machinery for their farms at cost from the manufacturer instead of through retail dealers evidently is becoming of concern to some dealers. In last month's issue of Farm Implement News the secretary of the Michigan and Ohio Farm Equipment Association wrote:

"A dealer reported to me that a farm located next to his had been purchased by a large soap company some months ago and that he had been supplying most of the equipment for that farm in recent years. The soap company had a contract and is located 50 miles away. They sent two tractors with cultivators and other tools to this farm and it so happens the dealer sells the same make of machinery and is a very good, substantial dealer. The only business this or any other dealer in this community will get from that farm is an occasional sale of an emergency part.

"This thing is growing so rapidly that many good dealers in that section are beginning to wonder how much longer they will be able to last. Their attitude is this: 'Why should large companies buy this land to avoid income taxes and then be able to buy their equipment at cost while the farmer next door, bending every effort to get along, must pay the long price. It just doesn't look right.' "

Several lines of further investigation touching the stability of our farm population, including taxation and the role of industrial corporations on the land, seem to be suggested by this quotation. If the entry of manufacturing corporations into farming is becoming so important as to cause concern to farm implement dealers, certainly it is important enough to farmers to receive the closest public scrutiny.

3. Custom work as potential displacer of farm operators. Custom work means performance of a particular farm operation, such as plowing or threshing, by a contractor. It is an old practice in American agriculture, and in 1925 at perhaps its zenith, it is estimated that there were about 140,000 custom threshing outfits in the United States. In earlier times, when the single, extreme peak power requirement on the farm could be met only by expensive steam engines and threshers, custom work was a boon to the small farmer. He was obliged to thresh either on contract, or as member of a cooperative threshing ring, since he could not afford heavy investment in a great power plant to be used only a few days.

Custom work can be either a boon to working small farmers or, depending upon circumstances, a detriment to them, even to the extent of jeopardizing their economic existence. It is like the two-edged sword which can cut both ways. To understand this it is necessary to remember that a large proportion of income to the working small farmer is really a wage for his labor. Therefore, when custom work represents, as it sometimes does today, the service of man and machine without opportunity for such auxiliary employment of the farmer as was customary around the old-time threshing rig, the farmer is losing opportunity for his own employment. It is true that successful custom operators can often afford to offer very attractive prices when they use their machines to capacity, but working small farmers who become fully dependent on custom work have thereby lost their own wages, and are at the mercy year after year of a differential between prices and contract costs sufficient to enable them to survive. The indefinite continuance of such a favorable differential, of course, is highly problematical.

In the Corn Belt last summer I encountered personally only two instances of farms virtually without farmers because every one of its operations were performed on contract. But the potentialities for displacement of farmers in this manner were plain to be seen. In Ohio I met a very successful custom operator who has a small fleet of tractors, tillage machines, combines, etc., and a force of from 8 to perhaps 15 or 18 wage workers. He operates a large farm of his own and keeps his machines working to capacity by performing custom work within a radius of about 15 miles. He was fully conscious of this threat to the working small farmer which is latent in this method of operation. In the February 1939 number of Agricultural Engineering he wrote:

"We are prepared to undertake almost any farming operations that we may be called on to do, except two, corn planting and corn cultivating. As you can see, the presence of a large amount of machinery doing custom work in a community which is 55 percent tenant farmed might give some people the impression that we are out to take over the whole neighborhood. This is not true, as we consider our services as purely auxiliary for those farms where the machinery investment for one reason or another is being kept low. By leaving corn planting and cultivating tools out of our custom equipment, we are able to sidestep requests to take over a complete operation, and can pursue a policy of not working on land that does not have an owner or a tenant living on it."

In conversation he stated even more strongly that his reasons for self-restraint in declining to plant and cultivate corn were twofold. He said, in substance:

"I won't plant and cultivate corn because I want them to use their team and their own labor. If I did, feeling in the community would be so strong against me because of the displaced farmers that I couldn't get contracts for custom work any more. Besides, sociology is against it; I don't believe in displacing farmers."

May I say at this point that my analysis is in no sense an attack on machinery, machine manufacturers, or machine users? I urge that we do not allow ourselves to be diverted, as frequently happens, by the spurious issue whether machinery per se is, or is not, beneficial, away from the true issue, How can we distribute the benefits of machinery and keep them from promoting insecurity?

4. Cooperative ownership of mechanical equipment. The practice of cooperative ownership of machinery probably is as old among American farmers as the practice of custom threshing. Indeed, the cooperative threshing ring was the small farmers' alternative to custom work. It was another way of keeping their overhead costs low. To an extent, cooperation is practiced in the Corn Belt today. Professor Case states:

"Many tenants are successfully cooperating with other tenants by owning some of the more expensive pieces of equipment in common, or by exchanging labor with some of their neighbors and thus avoiding a large outlay of money for the purchase of every piece of equipment used on the farm; * * * farmers can afford to own jointly or exchange the use of many of the more expensive pieces of equipment."

Last August a breeder of hybrid corn described to me experiments on his Illinois farm which give promise at an early date of eliminating the necessity of row-cultivation of corn, and of making possible the harvest of corn by combined threshers which deliver the kernels in sacks in the field. He stated:

"This, together with combines for soybeans and grain, will make it impossible for the small 80- to 160-acre farmer to compete. When these developments take place 640 acres will be the minimum-size farm that can operate economically in the Corn Belt. It will require not over 2 men to operate. The only possibilities are (1) custom work; (2) large units; (3) cooperative ownership of machinery in groups of 10 to 12 farms."

The practice of economic cooperation, however, has not yet attained an extent where it is adequate to resist the threatened wholesale displacement of farmers in the Corn Belt. It should be stimulated to the point where it will be.

What the spread of a pattern of industrialized agriculture can mean is easily seen in some of our newer cotton areas. Last month in Arizona I visited a large cotton development where economic forces have had full play. In the vicinity of Eloy are about 35,000 acres of cotton, largely on public land brought under irrigation since about 1934. Only the pumps, gins, and some of the farm machinery are subject to county taxation, although the county has been presented with new emergency burdens by the development. Farms of several sections in size are common. The operators are virtually all absentees, frequently residents of another State. I did not personally see a first-rate rural home in the area, but only an occasional cheap house for an irrigator or foreman. Hundreds of tents and shacks dot the area for the thousands of transient cotton pickers who also originated largely in other States, and who carry smallpox and typhoid with them into other States when they leave. Thus the operators, the capital, the laborers, the problems of health and of relief—all are largely interstate.

On Saturday during the harvest the town of Eloy is crowded with thousands of pickers who throng the food stores and patronize rummage sales on the streets. But the fact that there are only perhaps 350 people in the entire area stable enough to register to vote reveals the role of these 35,000 acres as nourishment for an American farm population.

Industrialization of corn and cotton is producing a serious maladjustment between land resources and population. Prof. Charles L. Stewart, of the University of Illinois, has recently described this growing unbalance in statistical language:

"The thinning-out effects of modernized operations on land of suitable topography throws the ratio of plowland acres per farm occupied into high figures, while in other areas, not so settled, population is piling up while the proportion of acres suited to plowland use declines."

In July of this year the Bureau of Agricultural Economics summed it up in terms of ill-guided human migration:

"In general, it may be said that in the areas best adapted to commercial farming there was enough migration away from farms to bring about a reduction in farm population, but in the areas less well-adapted to commercial farming there were increases."

This way of using our land, which in varied forms and in differing degrees is spreading in our best agricultural regions, is our new farm problem.

In the decades before the War between the States men were deeply concerned with how our land should be used. Our great agricultural problem then was, how shall the public lands be settled? Speaking in 1862, Congressman Holman, of Indiana, answered:

"Instead of baronial possessions, let us facilitate the increase of independent homesteads. Let us keep the plow in the hands of the owner. Every new home that is established, the independent possessor of which cultivates his own freehold, is establishing a new republic within the old, and adding a new and a strong pillar to the edifice of the State."

A decade earlier Representative Julian of the same State was laying a basis in Congress for the reform which culminated in the Homestead Act:

"The friends of land reform claim no right to interfere with the laws of property of the several States, or the vested rights of their citizens. They advocate no leveling policy, designed to strip the rich of their possessions by any sudden act of legislation. They simply demand that in laying the foundations of empire in the yet unpeopled regions of the great West, Congress shall give its sanction to the natural right of the landless citizen of the country to a home upon its soil. The earth was designed by its maker for the nourishment and support of man."

Congressman Julian was chairman of the Committee on Public Lands when the homestead bill became law in 1862.

Our ancestors of three generations ago found the solution for their goal of independent working farmers, secure on the land, in the land reform clauses of the Homestead Act, which gave away land in quarter sections, in fee simple, for $1.25 an acre. Today the march of mechanization and other economic forces have produced dependence and insecurity on the land for our generation. Stern necessity compels us to find our way to maintain independence and security among those who work the soil.

TESTIMONY OF DR. PAUL S. TAYLOR—Resumed

The CHAIRMAN. Would you care to highlight for us your observations on your recent trip through the Corn Belt?

Dr. TAYLOR. I will be very glad to state briefly the observations which seem of a particular significance to the problem with which your committee is concerned.

EFFECTS OF MECHANIZATION

Insecurity in agriculture is a cause of migration. It is an important cause. Consequently I devoted a good deal of my attention last summer to growing mechanization in the Corn Belt, which stretches west from central Ohio into Nebraska. The effects which seemed to me worthy of particular note I can sum up in four points.

The first is a displacement of farm laborers, some of whom find outlet in odd jobs, or occasionally in industry, but many of whom find only relief to cushion the shock of displacement.

A second form of displacement affects the farm operator himself. This occurs because farm operators in the Corn Belt are increasingly enlarging the size of their farm operations, and since the land of the Corn Belt is no longer subject to material extension, the enlargement of one farm necessarily is at the expense of some other farm. Of course it is true, as has been pointed out to your committee, that enlargement of the farm is part of a historical process that has been going on ever since the Corn Belt was settled, but there are some important differences which make its effects much more serious at the present time than they have been, we will say, since the year 1900.

In the first place, in the last very few years the enlargement of farms has been progressing much more rapidly than in previous periods. The character of agriculture has been increasingly commercialized as the expansion has been going on in the past few years. Besides, except for our recent defense activities, there has been no expanding industry to absorb the people formerly on the land, as was true in the past; and finally, there is no "New West" as there was 40 or 50 years ago, when the Corn Belt farmers found an outlet in the Dakotas and Nebraska. So, more and more one finds the cry in the Corn Belt, "Tenants can't get a farm."

A third point which I observe is that many farm laborers who remain on the Corn Belt farms are suffering a reduction in status. May I explain that briefly? Some who remain, particularly those who remain as machine operators, improve their positions; some of them have steadier employment at better wages than before; but for many, mechanization represents a fall in status, a decline to the position of seasonal workers, and with an increasingly commercialized relation to their employer, so that the old status of something like social equality with the employer—a certain beneficent paternalism which prevailed in the days of the "hired man"—is becoming of diminishing importance in the Middle West.

It is important to note, I think, that not only are the laborers feeling this decline in status, but the sons of farmers also feel it. Traditionally, sons of farmers have had a way to ownership through the labor process. Today they find not only a growing competition for farms, but they find the same competitive difficulties as they seek employment as hired workers in order to buy equipment and proceed to tenancy and ownership.

A fourth point is that, because of the shortage of farms and growing competition under the enlargement of farms, the tenants increasingly are in competition with each other, which means a bidding up of the rent, and while the shares remain the same, there are now required cash bonuses for pasture, or for crops, or some other pretext, which may seem reasonable enough in the premises, but which in reality represents a decline in the standard of living of the tenant on the Corn Belt farm.

These four, then, are the main effects which I observed.

May I suggest, in closing my comments on what I observed in the Corn Belt, certain significant phases of the reorganization of agricultural work in that area, which are significant now, or which I think you will find of growing significance in the years which lie immediately ahead.

The first is the enlargement of farms under a single operator. That has been repeatedly brought to your attention. That is a factor in the present great insecurity. The expansion takes place in various forms; sometimes without hired labor, simply with the family labor of the farm operator's son as well as his own. Sometimes it takes place with hired labor. A man hires one or two or three, or even more laborers, and enlarges the scope of his operations. Sometimes it takes place on a pure manager-labor basis, in which the industrialized form is fully achieved.

That, as I say, is the greatest present form of insecurity which is developing, and the most significant form of reorganization today.

There are two factors of potential insecurity which I think we should not overlook, for they are likely, under favoring conditions, to become rapidly of very great significance with reference to displacement and potential migration, which concerns your committee.

The first is the growth of professional farm-management services. Farm-management services are designed to operate farms in the Corn Belt for absentee owners. They advertise that that is what they are equipped to do. It simply means that more competent managerial service is now available than ever before, so that city folk, businessmen, industrial corporations, now have available a more efficient management service for farms, if they see fit to invest their money in the land, than they ever had before. So potentially, if this develops and certain other favoring conditions should evolve, we might see a greatly facilitated movement of urban capital onto the land, in which farms of absentee operation, with manager and hired labor, might spread very rapidly.

(The following letter and clipping were received later by the committee and were accepted for the record:)

FARM MANAGEMENT, INC.,
Irwin, Ohio, December 14, 1940.

To the chairman and members of the House Committee Investigating Interstate Migration:

I have had the privilege of reading some of the testimony presented to your committee by Dr. Paul Taylor of California. Dr. Taylor spent some time in this section and with our farm-management organization last summer. We are the organization to which he refers definitely in his testimony.

While Dr. Taylor states we are doing a good work, we are definitely of the opinion that he has failed to grasp the correct idea relative to the economic effects of such a service and we regret very much that his testimony is to become a matter of record in the report of your committee without a proper refutation.

We can state to you that on the 200 farms operated by our company for absentee owners, there are more resident employees than before we assumed management. Also, that these families are getting more income, and feel more secure than previously. We have in no case increased absentee ownership nor do we expect the future to bring such a result. New ownership and management has been set up on properties already owned by nonresident landlords, and properties which were run down and liabilities in every way are now developed, or being developed into well equipped, well cared-for farm properties which add in every way to the economic improvement of the rural community.

It is unfortunate that you have not called before your committee such men as: Dr. Howard Doane of the Doane Agricultural Service, St. Louis, Mo., and C. J. Claassen, president of the Farmers National Co., Omaha, Nebr. These men have spent many years in farm-management work, and are in a position to give you valuable information based on realities and experience.

It is high time that some practical people with a lifetime of experience in the observation of agricultural trends, get up on their feet and give our agricultural authorities the benefit of their observations and conclusions.

Very truly yours,

G. G. McILROY, *President, Farm Management, Inc.; Master Farmer; Member, Committee to Select Master Farmers in Ohio, 1939 and 1940; President, American Soybean Association, 1938–39 and 1940; Chairman, Soybean Section, National Farm Chemurgic Council; Member, Ohio Chemurgic Commission.*

[The Ohio State Journal, Columbus, Friday, December 13, 1940]

POPULATION TRENDS

Obviously due to the depression, affecting industrial centers more than rural communities, the trend of population in the past 10 years has been away from the cities and back to the country the first time in 100 years.

"The trend long established in the United States of migration from rural to urban areas has been slackened," says W. L. Austin head of the Census Bureau. "For the first decade since 1830 the proportion of the population residing in urban areas has failed to increase markedly."

The changes are a matter of proportion and percentage, not of actual numbers. All the large cities and all the States, except the Dust Bowl States, showed net population increases. The westward movement has continued in a general way, though the gains were in the far West, at the expense of the Middle West.

Ten States are to lose a Congressman, each as a result of the population fluctuations, namely, Arkansas, Illinois, Indiana, Iowa, Kansas, Massachusetts, Nebraska, Ohio, Oklahoma, and Pennsylvania.

It is interesting to note the gainers. Most notable is California whose tourist advertising, costing tens of millions annually, also attracted the bulk of the migrating "Okies" and "Arkies." No doubt the "ham and egg" publicity had something to do with it also. California is to gain 3 new Congressmen, making a total of 23, putting her at a parity with Ohio in this respect.

It might be noted that California came within 225 residents of pushing Ohio out of fourth place in the population table.

Seven States will gain one Congressman each, namely, the tourist-advertising States of Arizona, Florida, New Mexico, and Oregon; the industrially developing States of North Carolina and Tennessee; and, finally, Michigan, which is both a tourist-advertising and industrially developing State. Some of the tourists must be of the kind that stays permanently.

Except for the exceptional California gain, a condition which obviously has its limitations, none of the changes noted are highly significant. The United States may be said to have attained a fairly stable population, and all sections from now on will have steady growths of their own native or resident populations. The exoduses and influxes, from one State to another, will not again take place on the scale known in former years.

TESTIMONY OF DR. PAUL S. TAYLOR—Resumed

Mr. TAYLOR. Another phase of reorganization is custom work. By custom work I mean the performance of a particular farm-labor operation on contract. Now, custom work is a very old form of operation on farms. The best known form is the old steam threshing rig of decades ago. Farm custom operation actually protected the small working farmer, and had it not been available, the tendency would have been for farms to expand to a size which could support the high overhead cost of a threshing rig. However, it is entirely possible, again under favoring conditions, that custom work might have an exactly opposite effect. In other words, it might operate directly to displace tenants. The reason that it might so operate is that the working farmer, the kind of man on the land that we say we want to keep there, derives his income not so much as a businessman operating his properties as he does through the labor return which he receives for his own work.

Custom work is more and more the supplying of man and machinery, which means that the farm operator loses the opportunity to employ himself at the same time. So the smaller the operator, the more dependent he is upon employment on his own place for his income, the more likely custom work is to result in his eventual displacement. He may make a very favorable contract for planting, cultivating, ploying, and all other operations, but he very quickly comes to depend upon the favorable contract he can make with the operator, and unless he can continue making a living on a small farm as a business manager, managing the contracts successfully—the chances are against it over a series of years—he is likely to find himself very quickly off his farm. In fact, I saw a couple of cases where that had occurred, and talked to a very successful custom operator who was so fearful himself of the displacing effects of his work that he refused, upon request, to perform certain operations. He insisted that the man remain on his farm and use his own labor.

These last two factors, then—the growth of potential farm-management service and custom work—are to be regarded as important potential sources of insecurity rather than actual sources operating at the present moment.

The fourth phase of farm reorganization which I observed operates in the opposite direction. It is the cooperative ownership of mechanical equipment.

Cooperative ownership of mechanical equipment is as old a practice as custom threshing in the Corn Belt, but it is a force against displacement of farm families instead of a force which works for their displacement. It seeks to use the very principle which induces private operators to expand in favor of operators who by cooperation can cut their overhead in the same manner as the private enterpriser.

This last phase of farm reorganization is not effective to anything like the degree that I think it should be in protecting Corn Belt farmers against displacement, and I think that one of the most important things that could be carried out in our agricultural program would be a stimulation of cooperative endeavor among Corn Belt farmers with the purpose of diminishing the hazard of displacement of more and more farm families.

The CHAIRMAN. Of course, Doctor, I think it follows as a natural conclusion that this displacement of the farmers that you indicate increases this migration that we are concerned with.

Dr. TAYLOR. Perhaps I could illustrate that. In western Iowa I talked with a farm operator who has within the past 3 years or so expanded his operations from the home farm of about 200 acres to 1,000 acres, part of it lying as far as 75 miles distant from the home farm. When I asked him what happened to the farm operators of the land which he was absorbing, he said:

> When they leave the good land where I am expanding, and others like me, they go south in our State, to the poorer land. There, with their superior equipment and their superior farm experience, they are in a position to displace other tenants on that poorer land. These tenants, in turn, move into the Ozarks of Missouri or Arkansas.

Those areas in the Ozarks of Missouri and Arkansas, Mr. Chairman, are areas which our spot maps show contribute heavily to the migration to Arizona and California. As one man in the Corn Belt put it, "they go over like a row of dominoes." So the shock which appears on the good land of Iowa may have its last visible effect in the appearance of an Arkansas family in the cotton fields of Arizona or California.

EXTENSION OF SOCIAL LEGISLATION

The CHAIRMAN. Doctor, would the extension of social security, wage-hour, and labor-relations legislation to farm laborers have any effect on the displacement of farmers?

Dr. TAYLOR. I think, Congressman, that it would have a beneficial effect, certainly for the present. In earlier questioning one of the members of your committee called attention to the fact that the natural effect of certain social legislation in manufacturing industry was greater efficiency and greater displacement.

In some farm operations it might operate in the same manner. However, I would point out this rather significant difference: That farm operations resist change to a much larger extent, I believe, than manufacturing or industrial enterprises, that is, the farm operator remains as an enterprise engaged in by one man who himself works and employs possibly additional family labor for which he pays only in board and room.

Consequently, I think it is plain that the exemptions to agriculture which we have granted on the theory that we are benefiting the working farmers are actually applicable largely to the hired men of a larger farm operation who are in competition with small work operators, and many whom we wanted to help, are not receiving the benefits, and other operators are placed in position to replace labor. Consequently, I think the answer is, to me at least, that there would be a certain retardation or displacement by what in effect seems like to be a subsidy to the operator of farms with large pay rolls.

LONG-RANGE SOLUTION

The CHAIRMAN. Dr. Taylor, I think you have outlined very intelligently the problem in the Corn Belt, the displacement of farmers. What this committee is extremely interested in is having any recommendations which you care to submit to us.

Dr. TAYLOR. I should like to make some observations with respect to the long-range solution for agriculture if that is pertinent to your inquiry. And, in that respect I think I can be more helpful than perhaps I can in seeking to make detailed recommendations with respect to a particular phase.

I think we must distinguish between emergency, or short-run considerations, which must be met, and long-run objectives, and methods to attain them.

The measures necessary and justifiable in short run may not be in long run and should not be expected to do what they cannot do. With these differences in mind, let us examine the present situation of our agricultural population.

First, we have an accumulation of ineffectively employed people in agriculture.

Under stress of defense, we recognize this immediately.

In a recent statement Chester Davis, of the National Defense Advisory Commission, had this to say:

> There are perhaps 5,000,000 people now living on farms or in small towns whose labor is ineffectively employed—men not now listed as unemployed who could be released from the production of cotton, tobacco, and wheat, or from sheer subsistence farming, without any loss whatsoever so far as the agricultural industry is concerned.

If we recognize this ineffective employment of our people in time of defense, we cannot close our eyes to its existence in normal times. Nor can we justify its continuance simply as a reserve available for periodic defense efforts. Its use as such a reserve would be far better served, if kept in tone by continuous effective activity, than when allowed to sink to subsistence levels awaiting call. Ineffectively employed, it fails to raise its own standard of living, or any other.

Second, we must face the fact that present trends, if allowed to proceed unchecked, threaten to aggravate the condition just described.

On the other hand we have this situation: On the better farm lands, agriculture is being organized increasingly on a commercial basis, by fewer operators, in forms efficient for themselves, and with many laborers who are now denied both the legal protection for the self-help which comes through organization and protection by Government through wages and hours and other social legislation.

On the other hand, on the poorer lands, more farmers are being crowded into noncommercial, or semisubsistence farming, on lands of declining productivity.

Last July the Bureau of Agricultural Economics issued a statement in which they put this very distinctly:

> In general, it may be said that in the areas best adapted to commercial farming there was enough migration away from farms to bring about a reduction in farm population, but in the areas less well-adapted to commercial farming there were increases.

Plainly this trend represents a growing unbalance between people and land resources. It means working ineffectively with poorer resources, in a combination of long hours and underemployment, with low returns and with low-community advantages, for more and more people. It means a steady diminution on the better lands of the sturdy yeoman-farmer class that forms one of the main supports of our democracy, and it carries class lines and class problems onto these lands.

Perhaps one of the clearest illustrations of that, certainly one of the plainest that I have seen, is in an area of cotton production of about 35,000 acres at Eloy, Ariz., which I visited about 2 weeks ago. In that area, which has developed almost entirely since 1934, the cotton development is performed by operators from other States. The pickers come only seasonally, and mainly from other States. They carry their diseases, smallpox and typhoid, to the other States. Two or three years ago they brought a large-sized epidemic to the State of California after contracting the disease near Eloy. So, many of the phases of this area are producing an economic problem interstate in character.

On these 35,000 acres, or as much of it as I was able to see in the number of days I was there, there were not, to my personal knowledge, a first-rate house. There were occasional shacks, the usual huts for the irrigators, and possibly for the foreman who remained on the place the better part of the year, or the year round.

Many of the operations were several sections in size. The relation of that 35,000 acres in cultivation to the American farm population, is best summarized in the figures showing voter registrants. In the

35,000 acres there are something like 350 people stable enough to be able to register to vote.

The CHAIRMAN. What is the approximate population?

Dr. TAYLOR. What population?

The CHAIRMAN. On the 35,000 acres?

Dr. TAYLOR. It all depends, Congressman Tolan, on whether you take the census during cotton-picking time when the population would be many thousands, or whether you take it after the cotton is picked, when it would drop, possibly, to hundreds.

It illustrates the extreme to which industrial agriculture can go in successful commercial operation in the production of cotton—the extreme or failure, it seems to me, from every social point of view. I should like to stress my belief that we must face the fact that a policy of price support for agricultural products is not a tool for the reconstitution of a sound agriculture. It has rendered important service to farmers, and has been a factor in nearly doubling farm income in 8 years. The methods by which price has been supported, in my opinion, unquestionably have helped to displace farmers, as your committee has been told repeatedly. At the same time, it must be recognized that in some important areas the displacement probably would have come even faster had there been no price support. But the important point to remember with respect to long-run objectives is that price support is primarily a distress measure designed to prevent a worse situation, rather than a tool to make the agricultural structure better.

The fourth point which I should like to make is that we should recognize that for the long run, agriculture is not a proper refuge at subsistence levels, for those who do not find place elsewhere. It is overcrowded now. About 22 percent of our gainfully employed population, which is in agriculture, receives only about 9 percent of our national income. A substantial proportion of those now in agriculture are not needed for production of food and fiber. Oris V. Wells, of the Bureau of Agricultural Economics, estimates in the September 1940 Land Policy Review that:

> * * * even with our present technical equipment we could easily maintain agricultural output at what seems to be a reasonably desirable level by giving full employment to 80 percent of the farm people now on the land.

Historically, our surplus agricultural population has been drawn into industry, with clear economic advantage to the Nation. There is opportunity for more productive employment on the land, as the Forest Service has shown. But it is in the direction of opening up productive industrial employment by public and private measure that we can tap the greatest absorptive capacity. To this end we should direct our best thought and energies.

Fifth. "Farm security" is a very old American concept. It was an objective of the Homestead Act. It remains vital today. There is danger, however, that under the pressure of distress it may come to mean a rural refuge at subsistence levels, under uneconomic conditions. This danger may be illustrated specifically.

Two county agricultural agents in Wisconsin reported as follows:

> M county has a large number of small farms—some 40 acres, some 20, and some 30. Originally the operator on these farms held another job. Maybe he did a little carpenter work, or worked on the roads or in a sawmill. Since this is no longer possible, it became necessary for these farming units to become self-sustaining, making many of them unprofitable. Just as soon as the buildings need replacement, these farms are abandoned and usually acquired by a neighboring farmer who has a larger set-up, possibly an 80- or 100-acre farm.

The other county agent said:

> There has been a limited amount of farm consolidation in this county. These are mostly where neighboring farms are united and being placed under one management. This is done to reduce overhead. Such consolidation can be readily carried out if more power machinery is used. Farm consolidation and the increased use of more power machinery is slowly coming, in my estimation, to the farms of southeastern Wisconsin, the reason for it being that it results in more economical production. This means that it will be accepted by progressive rural people.

An opposite point of view appears to be held naturally by those who confront the relief situation caused by farm consolidation. In an Iowa county this problem appears to be: What to do with farmers displaced by farm consolidation; and the solution proposed is to place them on small acreages where they can raise subsistence. A United Press dispatch describes the plan:

> It calls for the return to the land of farmers dispossessed by mechanized farming and mortgage foreclosures and forced to move to the towns. A survey several months ago found that nearly three-fourths of the county relief load consisted of farmers who had lost their land and moved to town. They knew no trade and could obtain work only as laborers, a field overcrowded already. They were forced to live in hovels, and their children went barefoot and were poorly fed.
>
> "I decided the only solution to the problem was to get these people back on farms where they belonged and where they would be happy. Each would consist of a few acres. Each farm would be supplied with a cow, two brood sows, and some farming equipment for the use of tenants, who then would raise a good share of their own food requirements. During the winter months, when work slackens it will be no more difficult to call for the tenants in trucks to work at Work Projects Administration projects than it was when they lived in cities," he said. "Most of the dispossessed farmers have been Work Projects Administration laborers in the last years."

This illustration is not cited to condemn measures of relief which displacement has made necessary. Rather it is presented to point the futility, as a long-run policy, of standing by while farmers are displaced, then being forced to try to set them up again under circumstances less favorable than before, and under which they may even be exposed to a second displacement. This is hardly the true meaning of "farm security." Particularly is it futile when we allow displacement on good land and attempt rehabilitation of the same people on poorer land. We should seek, by stimulating measures of economic cooperation which will keep farm overhead low, to maintain our farm people on good land, to enable them to work effectively and for reasonable hours. This, for the long run, is true farm security.

The CHAIRMAN. Do you think a return to the Homestead Act would improve agriculture?

Dr. TAYLOR. The Homestead Act aimed at the establishment of people on our best lands and, of course, a farmer independent and secure. I think the principles are as valid today and as important as they were during the years of agitation for the Homestead Act in 1862.

The methods by which the Homestead Act sought to secure independence on farm lands was by giving away the land at $1.25 an acre in quarter sections. Manifestly the same technique cannot be employed, but it seems to me that we face, on good lands, the same problem which was faced by the planners of the Homestead Act.

The CHAIRMAN. Any questions, Mr. Sparkman.

Mr. SPARKMAN. Dr. Taylor, going back to an earlier question of Chairman Tolan, I believe, which he asked you with reference to the application of the wage-and-hour law, the National Labor Relations Act, and the social-security benefits to the farmers: Do you make any distinction between the farm that is operated as a family unit and the one that employs a great deal of hired labor?

Dr. TAYLOR. Yes. I would be disposed, with respect to a number of social measures, to follow the recommendation of the Social Security Board, which is to distinguish in exactly the manner that your question has suggested.

Mr. SPARKMAN. As a matter of fact, from the practical standpoint, that distinction would have to be made, would it not?

Dr. TAYLOR. With respect to a number of measures, I think you are correct. There are some, I think, where it might not be necessary. But it is a reasonable distinction to make.

TREND TO LARGE-SCALE FARMING

Mr. SPARKMAN. Do you feel that there is any great tendency away from the practice of farming by family units?

Dr. TAYLOR. Yes; I think it is plain to see that on the best land the form of enterprise is undergoing a rather serious change. There are developing in a number of agricultural areas of the country, in cotton, corn, and wheat, very large-scale operations, under managers and hired labor; sometimes the manager is the farm owner and sometimes he is not.

I think in the Corn Belt at the present time the tendency is for the man who has been a family farm operator in the traditional sense, to expand his operations to such an extent that it becomes questionable whether he can any longer be called a family farmer.

Mr. SPARKMAN. I believe that is all.

The CHAIRMAN. Mr. Osmers.

Mr. OSMERS. I had a question that I wanted to ask you because I want to have the answer in the record.

You have discussed in general the large-scale farm. I wonder if you would break that down and give us some idea concerning the financial return on a large-scale farm, taking a certain number of acres and what they make over the year.

Dr. TAYLOR. The Census Bureau has defined a large-scale farm as one with a gross income of $30,000 or more.

Mr. OSMERS. Does that definition meet with your idea?

Dr. TAYLOR. Well, I think it does.

Mr. OSMERS. Someone has to set the standard.

Dr. TAYLOR. You have to use some basis, and I do not know of any other studies or suggestions aside from that demarcation, but statistics are available on that basis. I do not have before me the statistics showing the proportion of the Nation's production which comes from the farms, but a very small percentage produces a very large share of our national agricultural production.

Mr. OSMERS. And I gathered from the previous witness that it absorbs a large share of agricultural payments, too. But, I would like to get some idea as to the rate of return on the invested capital in large-scale operations, in general, if there is some norm that could be applied over different years.

Dr. TAYLOR. I am sorry I am not able to answer that question. There are some data which one of the Senate committees assembled but I do not have them at hand.

Mr. OSMERS. I was just wondering, inasmuch as you mentioned a man who had increased his operations from 200 to 1,000 acres in 3 years, and I was trying to find out what effect that type of operation would have on his annual income.

Dr. TAYLOR. I wish I could answer your question, but I cannot. The expansion of the operation, however, seems satisfactory to him and he wished, as he put it, that he could get hold of more land.

Mr. OSMERS. Just to keep enlarging his operations.

Dr. TAYLOR. That was the wish he expressed to me, and it is the practice of a large number of operators in the Corn Belt.

Mr. OSMERS. Do you think that anything or anybody or any law or regulation will be able to stop the drive in America, anywhere, to lower unit cost of operation or production, whether it be a pound of cotton, a radio set, or anything else?

Dr. TAYLOR. I think in the long run it is extremely doubtful whether any single measure or series of measures would stop that drive. I would doubt the wisdom of endeavoring to stop that drive for economic production in the long run. I rather would urge on the committee that it lend its influence toward measures which would turn the benefits of that toward the farmers of the land as much as possible.

Mr. OSMERS. I am glad to hear you make that observation because I regard as inevitable this drive for greater efficiency and lower cost of production, and that we should accept it and proceed from that point rather than try to break it up artificially.

Dr. TAYLOR. I agree with you.

Mr. OSMERS. Of course, we have had the very same thing that is now happening to agriculture happen to industry. It started many years earlier in industry and stayed there. Of course, the southern plantation idea was the first large-scale operation in America, and that largely broke down following the Civil War, when the labor situation was changed.

ORGANIZATION OF FARM LABOR

You made the point—you did not make a large point of it—but I wonder if you would care to go just a little further into the matter of organization of farm labor. I am not sure it was in your own remarks, or something which you may have read from Chester Davis.

Dr. TAYLOR. The statement of Mr. Davis was that we have inefficiently organized our agricultural people for production.

Mr. OSMERS. He was not referring to unionization?

Dr. TAYLOR. No.

Mr. OSMERS. To the organization of labor by unions. That is what I wanted to refer to. Would you care to make any comment about the unionization of agricultural workers as it has been observed in California, for instance?

Dr. TAYLOR. The unionization with respect to what phase of the problem?

Mr. OSMERS. Well, you will recall during our tour through the San Joaquin Valley we ran across what seemed to have been some labor difficulties, labor unions, I believe.

Dr. TAYLOR. Yes.

Mr. OSMERS. And there seemed to be considerable dispute as to the manner in which it was done.

Dr. TAYLOR. There is always considerable dispute in such cases, and the dispute has been so keen in California and some other States that the United States Senate sent out a committee to make investigation, perhaps with respect to farm labor, which is the point this committee is interested in.

Mr. OSMERS. I was interested particularly in the migrant farm labor in California, to get back to the organization question.

Dr. TAYLOR. The migrant farm laborers do organize from time to time. They do not maintain an efficient continuous organization, but they are able to operate sporadically, and where they are able to do it they exert an upward influence on wages and an influence for the improvement of their own individual conditions.

Mr. OSMERS. Now, the large-scale farm provides some different kinds of employment as compared to the small-scale farm. In other words, I imagine you would have machinists and mechanics and employees of that nature, and I wonder whether it is more of a year-round employment on the large-scale farm than the small-scale farm, taking a similar number of acres as an example.

Dr. TAYLOR. I think one of the witnesses who is to follow me can answer that question better than I can, and I believe the answer will be in the affirmative.

The small operator, I think it should be remembered, may keep himself busy the year around but too often it is on the basis of cheap labor.

The year-around employment that might be provided on the large-scale farm should perhaps be at better wages than on the small farm, and it should be employed more productively.

Mr. OSMERS. I was thinking of California, particularly where the seasonal phase of labor is so marked, where one or two farmers can operate a farm that would require 50 or 100 additional laborers during 2 weeks or a month of the year. I was wondering if the large-scale operation was cutting that down at all.

Dr. TAYLOR. It is possible to cut down the terrific seasonality of employment over that of the private operator who does not feel an economic responsibility for seasonal employment. One of the advantages of economic cooperation in such a large-scale enterprise would be that, working cooperatively, they would have the same incentive that all farm workers have today in keeping themselves employed the year round, and they therefore would have the disposition to include in their farm enterprise enough diversity of operation to employ themselves efficiently more of the time.

So if the question comes to this: Does the large-scale operation make possible the support of more people on a given acreage, with better standards of living, my answer is that I believe it is possible. It is more likely to occur under the cooperative enterprise than under private enterprise.

The CHAIRMAN. Mr. Curtis.

Mr. CURTIS. Dr. Taylor, I think you have made a very fine contribution. Unfortunately, I had to be away from the committee at the time you were referring to certain areas as you went along.

NEED OF IRRIGATION

I recall in the first part of your statement that you said you inquired of migrants in California what caused them to leave, and you were told they were dried out or blown out, or that their lands were foreclosed on them?

Dr. TAYLOR. Yes.

Mr. CURTIS. Is it not true that the extreme drought has been a major factor in forcing many of them to leave their farms?

Dr. TAYLOR. Unquestionably.

Mr. CURTIS. You could not require that particular group of unorganized hired men to pay a social-security tax?

Dr. TAYLOR. Other measures are necessary.

Mr. CURTIS. What do you believe as to the value of reclamation and irrigation in the areas where it is economically feasible and sound, from an engineering standpoint, as to stabilizing people on land?

Dr. TAYLOR. I am in favor of those measures, Congressman Curtis. I think that at the same time those measures are undertaken, there should be protection to insure that the farmers who go on those lands are secured against the hazards of the type of displacement that we have been talking about for the last few months.

Mr. CURTIS. Yes; I believe the Farm Security and the Bureau of Reclamation undertakes to do that.

Dr. TAYLOR. I believe they are interested in doing so; yes.

Mr. CURTIS. Now, as you are perhaps aware, the area that has experienced a tremendous outward migration of destitute people—and they are very destitute—has been the Great Plains, the drought area. Would you care to insert in your statement, or do you approve of the phase that would make for a long-time solution of the problem, the development of our water resources in those territories where they are suffering from drought?

Dr. TAYLOR. I would.

Mr. CURTIS. I do not mean to be facetious; I merely want to know what you think. Why did all the people seek California?

Dr. TAYLOR. They did not.

Mr. CURTIS. Why did they go westward; were they still following the admonition of Horace Greeley—Go west, young man?

WESTWARD MIGRATION

Dr. TAYLOR. No; I think most of them had not heard the admonition of Horace Greeley. They went westward to California, Arizona, Washington, Oregon, and Idaho. They also went eastward into Iowa and other States—the Corn Belt. The reason that they went westward in such large numbers is largely because our agricultural labor market is so disorganized that although it is overcrowded, any individual has a chance of getting some employment every time there is a reshuffling of labor opportunities, and those reshuffling of opportunities take place every time a new harvest comes on.

Mr. CURTIS. Do you think the historic trend of people westward when they are displaced in their own operations or jobs throughout the entire history of the country is a factor?

Dr. TAYLOR. There is nothing magical about the direction west, although I have personally a great fondness for the word and for the region which we have on the west coast. If economic opportunity were available in the East, the displaced people would go there. As a matter of fact, during the 1920's, and in the decades earlier, Congressman, they did go to the factories of Illinois, Michigan, Pennsylvania, and Indiana.

Mr. CURTIS. I was interested in your very fine and exhaustive discussion of present and potential trends in the Corn Belt. It is perhaps true that those same trends came earlier and were more accentuated in the Wheat Belt, is it not?

Dr. TAYLOR. Mechanization swept the Wheat Belt first; then it struck cotton, and very quickly reached corn.

Mr. CURTIS. Are you able to state, confining this question now to California, what percentage of the migrants, these destitute migrants, were people that were forced directly off the land, and what percent were jobless people from industry?

Dr. TAYLOR. I cannot give you exact figures. There are studies, though, which would suggest them to you.

Mr. CURTIS. Do you have an estimate as to the relative percentage?

Dr. TAYLOR. Offhand I would say that a very high proportion of the destitute who migrated to California are people who were on the land in one way or another, either as operators of farms or as farm laborers, some living in towns and some on farms. At the same time, when the farms were stricken by drought and these other forces, many small-town folk who depended upon agricultural jobs also found themselves unable to remain.

Mr. CURTIS. That was true primarily of merchants and business and professional men and tradesmen in small towns that were wholly supported by surrounding agricultural areas.

Dr. TAYLOR. That is right. The data of the Bureau of Agricultural Economics show very plainly that a substantial migration also took place from the small towns, of people who themselves may not directly have worked in agriculture, but were dependent upon it.

Mr. CURTIS. Where would you place that percentage, probably 75 percent from the land?

Dr. TAYLOR. Or working upon the land.

Mr. CURTIS. Those who were on the land or quite closely connected with it?

Dr. TAYLOR. 60–40 or 75–25. I could get figures that would be better than that if it is desirable, but I cannot give them offhand.

Mr. CURTIS. I would be very pleased if you would submit that to the committee before the hearings are closed.

Dr. TAYLOR. I shall be very glad to.

Mr. Curtis. You made the statement—you did not enlarge upon it—that the price of farm products doubled in the last 8 years. Do you mean that the price doubled over the average for the time 8 years ago and prior to that?

Dr. Taylor. I simply took the statement of the Agricultural Adjustment Administration or the Bureau of Agricultural Economics that farm income was at a level double that of 8 years ago.

Mr. Curtis. For the purpose of the record, is it not true that they are comparing it just with 1 year, 1932, and not the 8 years after 1932 compared with the 8 years before 1932?

Dr. Taylor. I would rather answer that question after carefully perusing their statement. I would rather not be on record as stating what their statement says, when you can be furnished with the statement itself. What you say may be true, but I am not certain.

Mr. Curtis. Now, you stated, at least so far as your area is concerned, the problem that these incoming migrants have created is that possibly a good portion of them come from the land or were almost directly connected with it.

Dr. Taylor. They do.

Mr. Curtis. You feel that perhaps the remedies to be applied to the interstate migration of destitute persons should follow about the same percentage; in other words, are we going to find the answer dealing with agriculture and with the land, to a large extent?

Dr. Taylor. To a large extent, but I am not certain that it would be in the same proportion.

Mr. Curtis. Why?

Dr. Taylor. Because of the fact that the land is already overloaded. Of the gainfully employed, 22 percent receive about 9 percent of the income. There is a process of stripping people off good land and putting them on poor land. I think that the land measure to be employed would have to be scrutinized with some care. I would refer to my emphasis upon the fact that in the long run we must recognize that we do not need a very much larger agricultural population to produce food and fiber in desirable quantities.

Mr. Curtis. Is that the basis we should accept for our future planning?

Dr. Taylor. I think so.

Mr. Curtis. You think so?

Dr. Taylor. There are others who disagree, but I think so.

Mr. Curtis. Then the most efficient type of farming is the one we should encourage?

Dr. Taylor. I think we should not discourage efficiency, per se, but we should insure that the benefits go to the people who work the soil. There is a difference.

Mr. Curtis. Through absentee management and through custom farming you make for efficiency, do you?

Dr. Taylor. Yes.

Mr. Curtis. They produce more with fewer people.

Dr. Taylor. Yes. That is why I made the qualification in my answer.

Mr. Curtis. Understand, I just want to get your idea on it; I am not arguing with you. And you think we should accept that trend and plan accordingly?

Dr. Taylor. Oh, I did not say we should promote absentee ownership.

Mr. Curtis. I know you did no. I asked, Do you think we should do that in the interest of efficiency?

Dr. Taylor. No; I do not. I think we should enable those who work the soil to operate efficiently.

Mr. Curtis. I feel this, that agriculture is in a different sphere from all other activity. A man may work in a shop, but he goes elsewhere to live. He may be in a factory or in an office, as his place of business, but he goes elsewhere to live. Agriculture is not just a matter of production, it is a matter of homes.

Dr. Taylor. I agree; yes.

Mr. Curtis. The thing that appears perhaps the most efficient is not necessarily the most wholesome in the long-range development of our agriculture because, as you were pointing out a bit ago, certain of this absentee management might be efficient merely from the bookkeeping standpoint.

Dr. Taylor. Quite so. There is a social set of books which may balance very differently than a private set of books.

Mr. Curtis. That is all.

The Chairman. Thank you, Doctor, for your very valuable contribution. We appreciate it deeply, and I know it is going to help us.

TESTIMONY OF WALTER E. PACKARD, CONSULTANT, BERKELEY, CALIF.

Mr. Curtis. Mr. Packard, for the purpose of the record, will you state your official position?

Mr. Packard. I am a private consultant. I work for the Government a portion of the time, and also for private concerns.

Mr. Curtis. For whom have you been employed in the past year?

Mr. Packard. I have been employed by the Farm Security Administration and by the Haynes Foundation. I think those are the only two during the past year.

Mr. Curtis. You are an economist?

Mr. Packard. Yes, sir.

Mr. Curtis. What was your experience before you went into this work as a consultant?

Mr. Packard. I first graduated from the Iowa State College in agriculture, took a 4-year course there. I later took a degree at the University of California in irrigation engineering and in soils. I later took economics and graduate work at Harvard University. I was with the University of California for 10 years. I was then with Elwood Mead, in State land-settlement work, for 4 years.

I was then consultant for a number of agencies. I was in charge of the development in Mexico, for the Mexican Government, for a period of 4 years. I made various analyses for various departments of government during that time, including an economic survey of the Columbia Basin project for the War Department and an economic analysis of the Central Valley project in California for the State engineer's office.

I then went with the triple A in charge of the program on the coast; then with the Resettlement Administration, when that started.

I was first director in the region on the coast and then was Director of Resettlement in Washington covering the rest of the United States.

Since then I have been a consultant for various agencies.

Mr. CURTIS. Dr. Packard, you have prepared two statements which will be made part of the record.

(The statements referred to follow:)

STATEMENT OF WALTER E. PACKARD, CONSULTANT, BERKELEY, CALIF.

CAN MIGRANTS BE PLACED TO ADVANTAGE ON LANDS TO BE SERVED BY THE CENTRAL VALLEY PROJECT

Population increase.—There was an increase of 37.7 percent in the population of the five counties in the upper San Joaquin Valley during the past decade. The national figures show a 7 percent increase. In Kern County the increase came to 61.7 percent. Most of this increase resulted from migration from the southern Great Plains area, many coming from the cotton sections of Texas, Oklahoma, and Arkansas. The increase in Los Angeles County was 25.8 percent. California ranked third among the States, with 21.1 percent increase. The percentage increase in the District of Columbia was greater than that of any State.

Increase in irrigated area.—During this same period the irrigated area increased by over 300,000 acres. Much of this increase occurred in areas of restricted water supply, where continued pumping will eventually cause the abandonment of irrigation if an outside water supply is not provided. An increased run-off from local streams has raised the water level in areas where a dropping water table supported a fear that the ground water supply would never be replaced without importation from the outside. In other areas the decline in ground-water level has been continuous. In all of the areas the pumping costs are high. On this account and because of the uncertainty of the supply, it is difficult for farmers to secure long-term credit.

Abandonment of land.—This fact, together with the effects of surplus production and decline in prices, has forced many heavily mortgaged owners and the owners of inferior lands to lose their properties. These farms have been taken over by banks, insurance companies, private lenders, and by county and irrigation district authorities. The Terra Bella Irrigation District, covering an area of heavy pumping lift and made up largely of third-class land, has purchased 6,718 acres or more than half of the district area, at tax sales. The Lindsay-Strathmore District, also an area of high-cost water and with a considerable acreage of third-class land now owns 4,718 acres, taken over in tax sales. The Corcoran District owns 3,564 acres, acquired in the same way. These lands are generally inferior.

This, then, is the record. A dropping water table; a constant increase in the draft on a limited ground-water supply; growing costs and increasing credit risks. And with no attempt as yet, by public or private agencies to curb the activities of individual land owners seeking to secure their share of an inadequate ground-water supply.

THE CENTRAL VALLEY PROJECT

The Central Valley project is designed to correct the deficiency in water supply. But the dams, canals, power plant, and pumping stations which form the Central Valley projects are not the final accomplishments. They are but the instruments of service to be used in securing an ultimate objective. That objective, in broad terms, is the promotion of the general welfare. Sound planning and effective execution by engineers are primary prerequisites. They form a sound physical base upon which to build a well-balanced and effective economic and social structure, but they are not that structure. That structure consists of tenure patterns, size of holdings, plans of settlement, patterns of farm operation, labor relationships, credit arrangements, and markets in the agricultural field; upon sound labor relationships; the passing of low-cost electrical power directly to the consumers of power and upon an equitable allocation of costs against all increments in value resulting from the development.

These are the factors which govern the degree of ultimate success or failure. They require very special consideration now, because general economic recovery depends upon wise action in numerous fields. Each element in the total economy must contribute its share toward increasing business activity and toward a balanced distribution of the income which results from such activity. The Central Valley project is a major national undertaking. It is an important element in the State's economy. It is exceedingly important therefore that planning and execution do not stop with engineering accomplishments. If they do, little general good will result. And there is the possibility of much harm.

The public character of the project was emphasized and its relationship to the whole economy clarified when, through the Central Valley Project Act of 1933, the people of the State of California "declared that the public interest, welfare, convenience, and necessity require the construction * * * of a system of works for the conservation, development, storage, distribution, and utilization of water, with incidental generation, transmission, and distribution of electrical energy, which system of works is hereby designated as the Central Valley project and is hereby specifically approved and authorized." In section 3 of the act it is further declared that "The construction, operation and maintenance of said Central Valley project, as herein provided for, is hereby declared to be in all respects for the welfare and benefit of the people of the State, for the improvement of their prosperity and their living conditions, and this act shall therefore be liberally construed to effectuate the purposes and objectives thereof. The Authority (Water Project Authority) and the department (State department of public works) shall be performing a governmental function in carrying out the provisions of this act."

Great weight was added to considerations affecting the general welfare when the Federal Government agreed, at the request of the State, to finance the project, to direct its construction and to administer it when completed. The Government receives its authority to participate in such an enterprise from two articles in the Constitution of the United States. The first of these, article 4, section 3, declares that "the Congress shall have power to dispose of and make all needful rules respecting the territory or other property belonging to the United States." It is upon the authority of this article that the Bureau of Reclamaion uses public funds in the development of the public domain by the construction of irrigation projects. In the *Ashwander case*, the Supreme Court, in an 8 to 1 decision, upheld the right of the Tennessee Valley Authority to generate and distribute hydroelectric power under the authority of this article.[1]

But article 4 provides the authority only. It does not necessarily justify public participation in such enterprises as the Central Valley project nor does it necessarily authorize the development of a water supply for lands wholly in private ownership, a point which has never been finally passed upon by the courts. The Central Valley project contains no public domain and does not benefit Indian lands, which might be construed as being a part of the public domain. The nearest reservation is 20 miles above the proposed canal location. Under article 1, section 8, of the Constitution, however, the Congress has the "power to provide for the general welfare of the United States." Under the broad provisions of this article, ample authority is granted for Government participation in an enterprise which serves the general welfare. This fact places grave responsibilities upon the administrators of the project, as it is upon them that the public must depend for the protection of its interests. The administrators—the Water Project Authority, the State department of public works, and the Bureau of Reclamation—are, as the California act clearly states, "performing a governmental function in carrying out the provisions of the Act."

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[1] *Ashwander et al. v. Tennessee Valley Authority et al.*

Under the circumstances, the interpretation of the phrase "general welfare," becomes an important issue. The declaration of policy by the Congress in section 1 of the National Industrial Recovery Act, under which the first funds were made available for the Central Valley project, provides a broad definition of the term. This declaration of policy reads as follows:

"SECTION 1. A national emergency productive of widespread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of living of the American people, is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve employment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."

Importance of repayment of costs.—In addition to promoting the general welfare through a spending program as a means of initiating business activity, it is important that all increments in land and franchise values created as a result of the activity be assessed in order to meet the bill. The Water Project Authority is directed by the Central Valley Project Act to construct the project, "When in the judgment of said authority, appropriations, contributions, and revenues from all sources of every kind and character which are available upon, during, after or before construction of said Central Valley project, including contracts, for the sale or disposal of water, water flow, the use of water, water storage, electric energy or other sources in such amounts and at such times as will afford funds sufficient to pay and discharge all cost and expense, of whatsoever kind or character incurred, of construction, operation, and maintenance of said Central Valley project."

Ramification of benefits.—In a study[2] of the economic aspects of the Central Valley project made in 1930, the fact was pointed out that a wide ramification of land and franchise values were created as a direct result of irrigation development. The increase in farm-land values was shown to be but a part of these increments in values. In a more detailed study of the direct benefits resulting from irrigation development in the Columbia Basin project, it was shown that the increase in farm-land values was less than one-fifth of all increments in value.[3] It was shown in both these reports that repayment of costs would depend upon the assessments of all values created. Farm-land values, against which costs have been assessed in the past, will not carry the load of debt on large projects. Other values, created in exactly the same manner that farm-land values are created, will have to carry an appreciable share of the total debt if the money advanced is to be paid back.

Agriculture.—Allocation of costs is but one issue which goes beyond the construction problems involved in getting an outside water supply into the upper San Joaquin Valley. A rough survey of the major land areas to be served shows a pattern of land use quite out of line with the traditionally accepted family owned and operated farm ideal. Tenancy, nonresident ownership, uneconomic holdings too small to support an acceptable standard of living, and large-scale industrialized operations with a relatively low living standard for the hired laborers who do the work are prominent characteristics of the areas studied. In addition, there are thousands of acres of excellent irrigable lands, yet undeveloped, held in large holdings and subject to subdivision and sale, when a dependable water supply is made available at a reasonable cost.

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[2] "The determination of the value in money of the profits that flow to each particular county from the standpoint of irrigation if the State water plan is put into operation." Prepared for the State engineer's office in 1930 by Walter Packard.

[3] Report on Columbia River and minor tributaries. Report of the district engineer, Seattle, Wash., on Columbia River above the mouth of the Snake, 1934.

The survey covered all of the district in Kern, Tulare, and Madera Counties that have been formed for the purpose of utilizing water from the Central Valley project. These districts, when fully developed, will absorb approximately three-fourths of the water available from Friant storage. They are, therefore, representative of the general area to be served by the project.

Areas to be served by the Central Valley project.—The areas dependent upon the Central Valley project for a major portion of their water supply are listed in table I. Two hundred and twenty-two thousand acres out of a total of seven hundred and forty thousand acres are located in areas of excellent soils. The soils in these areas are equal to the best in the States and are adapted to a wide range of crop adaptability. Two hundred and ninety-seven thousand acres are located in good soil areas where production is slightly above average. The poor and very poor soil areas account for approximately 18 percent of the total.

TABLE I.—*Soil-classification districts in Kern, Tulare, and Madera Counties, organized to utilize water from the Central Valley project*

District	Total area	Excellent soil	Good soil	Fair soil	Poor soil	Very poor soil
	Acres	*Acres*	*Acres*	*Acres*	*Acres*	*Acres*
Proposed east side district	150,000	64,500	57,000	19,500	5,250	4,250
North Kern water storage district	58,810	29,110	17,730	11,050	600	320
South San Joaquin municipal utility district	42,900	18,470	13,680	960	1,430	8,360
Wasco-Shafter irrigation district	43,360	31,360	4,440	400	5,500	1,660
Delano-Earlimart irrigation district	32,400	27,000	2,700		366	
Tule River-Deer Creek:						
Area A	152,000	39,000	57,800	18.300	23,400	13,500
Area B	45,000	1,800	8,000	16,300	18,600	300
Area C	18,710	1,170	900	12,400	2,210	2,030
Area D	26,890	10,270	3,340	7,660	1,740	3,880
Madera district	173,000		130,000		43,000	
Total	743,070	222,680	297,590	86,570	102,096	34,300

The character of the soils and the present status of development of land under irrigation are closely correlated. This fact is clearly shown in table I, where the irrigated land and the soil classification in the Tule River-Deer Creek area are shown together. As would be expected, the most highly developed farms are on the better soil areas. Range pasture and grain farming are on the alkali and hardpan lands.

Lands taken over by the State, through tax sales.—The lands which have been taken over on tax sales by the State are, in very large part, either of poor or very poor quality or are in holdings too small for economic operation. Out of a total of 42 properties taken over by the State in the Tule River-Deer Creek area, for example, 24 included land classed as poor, very poor, and nonagricultural, while the soils on the farms was classed as grade 3, which is distinctly inferior. Of the 8 farms on class 1 or 2 lands, 6 averaged 12.7 acres, which is entirely too small for successful operation. In other test area, the Madera District, the same thing held true. The State-owned farms were in large part on inferior lands and were usually in small holdings. This correlation is a natural one. It corresponds with the correlation between developed lands and the type of soil, shown in table I.

The importance of good soil as a factor affecting repayment possibilities.—The close correlation, noticeable elsewhere, between the quality of the soil and the character of the development, emphasizes the need for a careful selection of the lands to be irrigated. The productive quality of the soil, affects directly the amount of money that can be paid for water. It is out of the water charges that repayment of construction costs allocated to the land, must be paid. Good soil is, of course, reflected in high yields. And high yields are, in turn, reflected in high incomes as compared to income from poor soil. The effect of good land upon returns and the ability of a farmer to meet water costs, is shown in the following analysis of cotton production.

Studies made by the farm-management division of the University of California show a total cost of $10.95 per hundredweight of cotton grown on an average family-size farm of 100 acres. This cost was secured under better than average conditions, since the 5-year average yield was but 582 pounds per acre. The cost was based on a land value of $160 per acre, a $40-per-acre irrigation system, and an $8-per-acre charge for power pumping. Interest was figured at 5 percent, labor at 30 cents per hour, horse work at 10 cents and tractor at 70 cents per hour. Where cotton yields but a bale to the acre (500 pounds) the total cost, including depreciation, comes to 13.16 cents per pound. Where cotton yields 1,300 pounds per acre, on the other hand, a grower on a 100-acre farm can produce cotton for a total cost of 8.11 cents per pound, including depreciation. The 5-year average price of cotton in the San Joaquin Valley is 10 cents per pound. With cotton the principal crop in the area, these figures are significant.

The better growers on the best land, frequently secure two or more bales of cotton per acre. A grower securing 1,200 pounds of lint per acre can, according to the university studies, pay $8 per acre for pumping costs and have a reserve or profit of $22.68 with cotton at 10 cents per pound. This reserve could be considered, theoretically at least, available to meet water costs if it is not absorbed in increased land values or allocated to profits of management. Since the high yields result both from good management and good soil, all of the profit cannot rightly be credited to water.

On the other hand, those who secure less than a bale and a half per acre cannot pay as much as $8 per acre for water, including pumping costs, with cotton at 10 cents per pound, unless the cost of land is reduced. If his land value is reduced from $160 to $80 per acre, for example, the cotton farmer would have an additional $4 per acre available for water payments, which would pay a capital cost for water of $160 per acre over a 40-year period without interest. This additional income from a reduction in land values would enable the average farmer, as represented by the university studies, to meet production costs, if he secured a bale and a half per acre—a yield which is 50 percent above the State average. If raising the water table appreciably reduced the cost of pumping, a farmer securing the average yield of cotton in the State, would still lose money with cotton at 10 cents and land at $80 per acre, if he meets full depreciation costs. Only by neglecting depreciation could he make a profit. Benefit payments enable the average cotton farmer to remain in business now. These facts illustrate the importance of good soil as a factor affecting repayment possibilities.

Special crops as a source of income.—Emperor grapes, an important crop in a portion of the area to be served by the Central Valley project, yielded a capital and management income per acre of $73.49 in 1939 in the case of 18 vineyardists in Tulare County, whose records have been carefully checked by the University of California. These vineyards showed an average investment of $377.06 per acre, with land and buildings alone costing $184.67 per acre, and the irrigation system costing $54.74 per acre. Power came to $10.56 per acre on the average. But these good returns have resulted in an increased planting of over 3,000 acres, an increase in shipments from 2,500 carloads in 1936, to 3,233 carloads in 1939 and a drop in price. "Before long," says the report, "these increased plantings will be reflected in increased production which may be cause for considerable concern among growers." Obviously, Emperor grapes cannot be planted on any appreciable proportion of the area to be made available for irrigation development under the Central Valley project.

Cost studies of raisin production show a net return of $4.75 per acre above costs where a yield of 2 tons per acre is secured, where the raisins are sold for $55.83 per ton; where land and buildings are valued at $200 per acre, the irrigation system at $30 per acre, and where power for pumping costs $7.50 per acre. The average yield of raisins in California, however, is but 1.33 tons per acre. With a yield of 1.5 tons, the net returns show a loss of $16.56 per acre. Only the better lands produce a net return above normal costs under present conditions. And again, demand at present costs and prices does not justify an increase in raisin acreage. Even if the cost of land were eliminated, the 1.5 ton vineyardist would not meet all costs of production. The higher yielding vineyards, however, could carry heavier irrigation charges.

The 5-year average yield of oranges in California is 169 packed boxes per acre and the average price is $1.17 per packed box. The product of these two factors is less than the cost of producing oranges, under present water costs and land values. To increase water costs would mean a reduction in land values, or a lowering of wage incomes.

Potatoes form a truck crop which appears to be especially adapted to conditions in the upper San Joaquin. With a yield of 200 sacks per acre, and with land costing $200 per acre, the irrigation system costing $30 per acre and with pumping costs at $10 per acre, potatoes can be grown at 79 cents per hundredweight, making a profit of $86 per acre. Some growers get 300 or more sacks per acre. The acreage in Kern County has grown from 1,400 in 1929 to 28,822 acres in 1939. At present prices and yields, potato growers in the upper San Joaquin Valley can pay a high price for water. But continued increase in acreage may soon reduce the favorable price level and bring potatoes within the range of competing crops. Certainly no permanent repayment plan could be safely based on the assumption that the present income level will be maintained.

Dairying will not carry heavy irrigation charges.—From the standpoint of markets, dairying offers the greatest chance for expansion. The relatively high increase in local population and the increase in population in southern California means an increase in potential consumption. Milk is the one product that cannot be transported long distances or stored indefinitely. But dairying will not support high costs. With land costing $200 per acre, the irrigation system costing $20 per acre and with a pumping charge of $9 per acre, alfalfa yielding 6 tons per acre, costs $10.40 per ton unbaled. The average yield of alfalfa in California is 4.3 tons and the going price is from $9 to $10 per ton in the stack. Increased water costs will have to come out of land values, out of labor, or out of subsidies contributed by the public.

Methods of controlling increments in farm land value as a repayment asset.—The Bureau of Reclamation and other development agencies, from the beginning of irrigation development, have had to face the fact that bona fide settlers would not be able to meet both speculative prices for land and irrigation construction costs out of the returns from agriculture. Various plans have been tried but none have proved to be sufficiently effective. Various proposals have been made for new approaches to the problem and some of these are now being tried out in the hope that speculation can be curbed, so that the values created may be used as a source of funds for repayment of construction costs. Traditionally, the land speculator has reaped the cream of the harvest. And there is every indication that speculators are planning again to absorb all increments in value, and through the device of mortgage debt and contract sales, channel all net income into their hands.

Submarginal land purchase as a means of protecting repayment possibilities.—There are certain basic steps which can be taken immediately to safeguard repayment possibilities. The purchase of submarginal land within and bordering the areas to be served by the project is one of these. It would remove one danger of unsound speculative development and would prevent a wasteful use of valuable water. The relative importance of this problem is shown in table II, where a record is given covering the percentage of good land in the districts organized to take water from the Central Valley project.

Much of this submarginal area cannot now be expanded from the benefits of the Central Valley project, because a general rise in water table occurs under poor as well as under good soil sections. At present there is no way of preventing an owner of poor land from pumping water as he wants it from the underground reservoir. Excluding such land from organized districts does not prevent the owners from pumping water supplied to the ground water reservoir by the Central Valley project.

Because of the importance of this submarginal land problem, a submarginal land-purchase program was started in 1937 under the auspices of the Land Utilization Division of the Farm Security Administration. The program was later transferred to the Soil Conservation Service, under whose direction 8,296 acres of submarginal land were purchased in Tulare County. The average price paid for land and improvements was $10.60 per acre. The land is now utilized as range for sheep and cattle.

A somewhat similar movement was undertaken by irrigation districts in the upper San Joaquin Valley. The Terra Bella district, for example, purchased 6,718 acres at tax sales. This amounts to 54.6 percent of all land within the district boundaries. The Lindsay-Strathmore district purchased 4,718 acres of tax-delinquent land, or 31 percent of the total district area. The Corcoran district purchased 3,564 acres of tax-delinquent land. These lands represent the poorer and less developed areas within the districts. The lands, once acquired, are rented for grazing or dry farming.

The most effective way of meeting this problem of submarginal lands in the future is by an expansion of this purchase program by State, Federal, or district agencies. If the program which has been started could be extended immediately to cover all of the inferior soil areas adjacent to lands to be served by the Central Valley project, the submarginal land problem as it directly affects the Central Valley project, could be solved. It would prevent the waste of Central Valley water on poor land and would lessen the creation of rural slum areas, which add to existing surpluses and represent nothing of value to society. Those who are now forced by circumstances to accept the poverty of the submarginal farm can be provided for in sounder ways by effective social planning. Agriculture need not be a dumping ground for the casualties of social change. The acceptance by those who favor subsistence farming as a permanent method of adjustment in a society based on machine production is but an acceptance of defeat. The logic of technology is a higher standard of living for all. The immediate problems which the use of labor-saving devices create can be solved by positive planning and action. This phase of the problem cannot be analyzed in a preliminary report of this character, although the problem is definitely a part of any broad program of readjustment.

Provisions of the reclamation law covering land speculation.—Land and water charges must come out of the same source of income. It is important, therefore, that the farm operator get the land at its dry-land value plus the value of improvements, for if he has to pay speculative prices for land the income available for the repayment of water costs will be cut down. In order to provide land to bona fide settlers without speculative charges, the Congress provided in the reclamation law that "no right to the use of water for the land in private ownership shall be sold for a tract exceeding 160 acres to any one landholder." The Secretary of the Interior may limit holdings to less than 160-acre units by requiring the owners of all private lands under reclamation projects "to agree to dispose of all lands in excess of the area which he (the Secretary) shall deem sufficient for the support of a family upon the land in question.[4]

It was further provided that the land sold under the provisions of the act shall not carry "the right to receive water unless and until the purchase price involved in such sale is approved by the Secretary of the Interior." The owners of excess land are required by law to dispose of excess lands "upon such terms and not to exceed such a price as the Secretary of the Interior may designate." In order to put teeth into the act, the law provides that "if any land owner shall refuse to agree to the requirements fixed by the Secretary of the Interior, his land shall no be included within the project, if adopted for construction." And "upon proof of fraudulent representation as to the true consideration involved in such values, the Secretary of the Interior is authorized to cancel the water rights attaching to the land involved in such fraudulent sales."

Exceptions are made for those who acquire excess land at any time, in good faith "by descent, by will or by foreclosure of any lien." Such excess holdings may be held "for 2 years and no longer, after its acquisition; and every excess holding prohibited as aforesaid, shall be forfeited to the United States by proceedings instituted by the Attorney General, for that purpose in any court of competent jurisdiction."

Precedent established by the Columbia Basin project.—A recent interpretation of the excess-land law is provided by the Antispeculation Acts passed by Congress and the State of Washington dealing with excess holdings under the Columbia Basin project in eastern Washington. The acts, identical in purpose, limit the area one man can hold, to 40 acres. A man and wife may own 80 acres. Anyone now owning land in excess of these acreages must sell the land at its "nonirrigated" current value, as appraised by a disinterested board appointed by the Secretary of the Interior. The leverage used in forcing compliance is a provision in the act which stipulates that a landowner wishing to obtain water from the Columbia Basin reclamation project with which to irrigate his land, must agree with the Government to comply with the provisions of the Antispeculation Act. "If a landowner sells excess land at a price above its appraised value, two serious consequences result. The vendor will not be able to obtain water for the land which he is entitled to retain for his own use, and the purchaser will not be able to procure water for the land bought."[5]

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[4] Sec. 431, N. S. C., title 43, ch. 12.

A still more recent interpretation of the excess-land provision is contained in a 1937 amendment to an act authorizing the construction of the Arch Hurley project in New Mexico. The amendment reads in part, as follows: "* * * That construction work shall not be initiated on said irrigation project until * * * (b) a contract shall have been executed with an irrigation or conservation district embracing the land to be irrigated under said project, which contract shall oblige the contracting district to repay the cost of construction of said project met by expenditure of moneys from the reclamation fund in forty equal installments, without interest; (c) contracts shall have been made with each owner of more than one hundred and sixty irrigable acres under said project, by which he, his successors, and assigns shall be obligated to sell all his land in excess of one hundred and sixty irrigable acres at or below prices fixed by the Secretary of the Interior and within the time to be fixed by said Secretary, no water to be furnished to the land of any such large landowner refusing or failing to execute such contract; and (d) contracts shall have been made with all owners of lands to be irrigated under the project by which they agree that if their land is sold at prices above the appraised value thereof, approved by said Secretary, one-half of such excess shall be paid to the United States to be applied in the inverse order of the due dates upon the construction charge installments coming due thereafter from the owners of said land."

These plans for control of land speculation in these two projects are not applicable to the Central Valley project unless they are supported by an air-tight zoning law or by definite mortgage liens on individual holdings because the ordinary penalty for noncompliance that of withholding water would have no force. In the case of the Columbia Basin and the Arch Hurley projects, land with surface rights to water has little value. In the upper San Joaquin Valley, however, most of the irrigators secure a portion or all of their water from underground. The underground reservoir can be tapped by any owner. Excluding such land from a district or denying the owner a surface supply, only relieves it from carrying any of the construction costs. It does not prevent the owner from pumping water from wells tapping an underground reservoir supplied with water by the Central Valley project. A zoning law might be devised to meet such a situation but the constitutionality of such legislation might be in question.

Removing restrictions upon size of holdings.—Another approach to the problem is being tried in Colorado. Mr. S. C. Harper, chief engineer of the Bureau of Reclamation, writes: "In view of the fact that this project was constructed primarily to furnish a supplemental water supply to lands already receiving an insufficient supply of water from other sources, the Congress by act approved June 16, 1938 (52 Stat. 764), provided as follows: 'That the excess-land provision of the Federal reclamation laws shall not be applicable to lands which now have an irrigation water supply from other than a Federal reclamation project and which will receive a supplemental supply from the Colorado-Big Thompson project'."[6]

In this case, full responsibility for repayment rests upon the local water-users association, which agrees to meet all costs. The land is already developed and all increments in value resulting from irrigation have been absorbed in the market price of developed land. The opportunity for securing the increment in value before it had been consolidated by sale and resale of developed land, is not there, as it is in areas where large bodies of undeveloped land remain to be irrigated.

Similar provisions are contained in a bill just recently passed by unanimous consent by the Congress affecting lands under the Washoe County Water Conservancy District of the Truckee storage project and the Pershing County Water Conservancy District in the Humbolt area of Nevada. These will serve to destroy the influence which the Bureau of Reclamation has attempted to exercise in controlling the social and economic character of settlement without providing for any other controls, such as wages-and-hours legislation, standard housing provisions, old-age pensions, or collective bargaining. It opens the door for a further trend toward the establishment of a socially unsound percent pattern on modern lines.

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[5] Special memorandum on Lands in the Columbia River project, Bureau of Reclamation, April 1, 1940.

[6] Letter from Mr. Harper, August 12, 1940.

Government purchase of land, as an antispeculation measure.—The land problem as it affects the Central Valley project must be divided into two parts. The first part concerns the development of some 270,000 acres of good but as yet undeveloped land in the area to be served by the Central Valley project. The general location of these areas is shown in table II. If no outside water is made available, a large proportion of this acreage will have no more ultimate value than dry-farm land. Some of the land has a short-time value in excess of its dry-land worth, so long as pumping is possible. But as pumping continues to reduce the ground-water level, costs will increase and will finally become prohibitive. A large proportion of the possible future value of these lands, therefore, rests upon the importation of a water supply, the cost of which should have a prior claim upon income, at least until it is met.

TABLE II

	Proposed east side district	North Kern water storage district	South San Joaquin municipal utility district	Wasco Shafter irrigation district	Delano-Earlimart irrigation district	Tule River Deer-Creek area	River Madera district	Total
Acreage of good irrigable land not yet irrigated	88,000	36,435	9,110	2,840	9,094	95,805	38,349	279,633
Percent of total area of good land in the district	62.6	62.9	27.5	7.8	99.0	59.3	29.4	43.5

Some owners of large tracts of undeveloped land without water rights, in the areas to be served by the Central Valley project, are selling farms at prices as high as $175 per acre. Such prices make it utterly impossible for the buyers to meet normal operating costs plus any reasonable charge for water from the Central Valley project. In these cases the present owners of undeveloped land are selling their land at its dry-land value plus the cost of getting water to it. The buyer in such cases either pays the construction charges twice or defaults in his payments to the Government.

Because of the seriousness of this utterly unjustified speculation, it would be well to postpone the construction of the Friant-Kern canal until some plan can be worked out to curb land speculation.

If the Government should purchase all undeveloped land at its dry-land value, the increment in land value would remain in public hands and the income normally passing into the hands of private speculators would go to the Government and would be available to meet construction costs. Such a program would add 3 to 4 percent to the total cost of the project. But it would add appreciably to the repayment possibilities.

As in the case of power revenues, those who protest most loudly against sound provisions for making development projects self-liquidating, are apt to be those who make the most noise about public debt. In the Central Valley project the issue is clear. If increments in land and franchise values are taken by private interests, the public will have to assume the debt.

Demand for land.—Another point which deserves consideration in this connection is the fact that public ownership of undeveloped land within the project area would enable the Government to retard development until demand for the products that can be grown justifies an expansion in the irrigated area. Without such purchase every landowner will strive to put his land into crop at the earliest possible opportunity in order to enable him to get an income with which to meet the water costs. On the other hand, the demand for land on the part of those seeking opportunities to locate in California can be met in better ways than by expanding acreage until basic adjustments have been made in the plans for settlement.

If everyone in the United States could have the liberal diet recommended by the United States Department of Agriculture, and if all could be satisfactorily clothed, there would be an immediate demand for more land. Until effective demand does cause a pressure upon existing acreage, there is no immediate need for rushing land into use. To bring new land into production without also doing those things which are necessary to insure success would be unwise. Success depends, first, upon an increase in the general purchasing power, which may develop temporarily as a result of the war. The second factor concerns local project issues, such as the price of water, the pattern of tenure, and the adequacy of credit.

The problem of new land is not confined to reclamation-projects activities by any means. The Production Credit Corporation, a part of the Farm Credit Administration, has assisted in a very large expansion of irrigation by financing the boring of wells and the installation of deep-well pumps in areas where there is no gravity supply available. These new developments, furthermore, are financed, in part, by benefit payments made to growers by the Agricultural Adjustment Administration. When the ground-water supply in these areas gives out, the landowners will call upon the Bureau of Reclamation to salvage their values. The loss to county revenues as a result of Federal ownership of land could be met by payments to the counties in lieu of taxes. This is done by the Forest Service and by the Farm Security Administration. The future county tax income, moreover, will be enhanced as an increase in productive wealth results from irrigation development.

Large-scale and corporate operations.—The second part of the land problem concerns the land already developed. There is a definite division in size of holdings which is significant. Much of the total acreage in the areas to be served by the Central Valley project is in holdings that are larger than the traditional family owned and operated pattern. On the other hand, by far, the greatest number of farms are small. The small farms, moreover, contain less land than is considered to be necessary to support an acceptable standard of living. As the various factors affecting both the large and small farms are important from the standpoint of debt repayment and general social and economic stability, they are discussed to some detail.

Large-scale farming.—The record of holdings in excess of the 160-acre unit set for maximum acreage by reclamation law is presented in table III. In the case of the North Kern water-storage district, one-fifth of the landholders own 95.3 percent of the area. These lands are largely undeveloped. In the case of the delta area, a highly developed region, nearly all of the holdings are above 160 acres in extent. Over 68 percent of the area in holdings in excess of 160 acres in the delta contain more than 1,000 acres each. In the Wasco-Shafter district, known generally as an area of small farms, 4.8 percent of the landholders own 38.5 percent of the land in the district. In the Delano Earlimart district 6.5 percent of the landholders own 44.7 percent of the district area. Less than 8 percent of the landholders in the Madera district own 45.3 percent of the district lands. Moreover, all of the highly developed and intensively cultivated large-scale farms in the areas to be served by the Central Valley project, are located in the best soil areas.

TABLE III.—*Size of holdings in irrigable areas to be served by the Central Valley project*

District	Area covered	Area in holdings of more than 160 acres	Percent of area in district in holdings of more than 160 acres	Percent of total number of landholders owning more than 160 acres	Percent of area in holdings of 300 acres or more	Percent of area in holdings of more than 1,000 acres
	Acres	*Acres*	*Percent*	*Percent*	*Percent*	*Percent*
North Kern municipal utility	58,810	56,049	95.3	20.6	94.7	88.2
South San Joaquin municipal utility	42,900	18,209	42.4	8.6	26.8	10.9
Wasco-Shafter irrigation	43,360	18,393	38.5	4.8	29.4	20.9
Delano-Earlimart	32,280	14,480	44.7	6.5	33.0	5.8
Proposed east side[1]	11,698	7,079	60.5	33.8	32.2	0
Madera	173,000	68,247	45.3	7.7	38.0	19.2
The Delta[2]	324,748	324,748	100.0	100.0	89.3	58.0

[1] Out of a sample area of 11,698 acres, not including 1 fruit farm of 6,131 acres.
[2] Only the farms in excess of 160 acres were included.

No survey was made covering the area lying south of Mendota and above the gravity canals on the west side of the valley, but records of the Agricultural Adjustment Administration show more than 20 recently developed holdings of more than 5,000 acres each, financed in part through the Production Credit Corporation. One operating unit developed during the past few years includes 21,000 acres, planted largely to cotton and flax. The owner of this farm, together with his brother, secured a total of $71,543 in Agricultural Adjustment Administration payments in 1939.

Corporate operations.—A problem closely related to large-scale operations is presented by a departmental decision in 1913, which excludes corporations as applicants for water on reclamation projects. "That Congress," declares this decision, "did not intend that the reclaimed lands upon which the Government is expending the money of all the people should be the subject of corporate contract is conclusively established by the fact that the Secretary is authorized to fix the farm unit on the basis of the amount of land that will support a family. These lands are to be the homes of families." This clearly expresses the feeling in the Congress toward corporate operation on reclamation projects. But the decision goes on to say: "But existing corporations to which water rights have heretofore been granted should be permitted to continue without interference, and in view of past departmental decision, applications by corporations pending at this date may be allowed." Furthermore, in a decision dated March 8, 1932, "the Assistant Secretary reversed the decision of the Commissioner of the General Land Office in the case of the Great Western Insurance Co., a corporation, assignee of reclamation homestead entry of lands in the Cheyenne, Wyo., land district. It was found that the appellant company did not take the assignment and apply for a water right with intention of holding and cultivating the land in competition with individuals or families, and it was believed that the recognition of the assignment and the granting of a water right to the company would not be in violation of the spirit of the regulations of July 11, 1913, there being no statute which prohibits a corporation from taking a reclamation entry by assignment." This decision reiterates the intent of the Congress with regard to corporate operations, but lets down the bars for corporations such as insurance companies, banks, and other lending agencies not organized primarily for farming.

As high as 98.4 percent of the land in districts organized to receive Central Valley project water is owned by corporations at the present time. These corporate holdings include farms held by banks, insurance companies, and other lending agencies. A larger percentage of these corporate holdings, however, are owned by operating companies.

The Kern County Land Co. is the largest of these operating companies, so far as land area is concerned. They own land in all of the districts organized in Kern County to take water from the Central Valley project. Most of this land is still undeveloped. The Kern County Land Co., moreover, is in a favorable position, so far as water supply is concerned. The lands are served by the surface and subsurface run-off from Posa Creek (rights to which are owned by the Kern County Land Co.), and by a surface water supply from Kern River, conveyed to the lands of the Kern County Land Co. through the Lerdo and Galloway Canals. According to a report by B. A. Etcheverry to the Kern County water committee, the "North Kern water-storage district thus has, through existing rights, nearly an adequate supply from Kern River, without acquiring Central Valley project water, to meet its full ultimate water requirements, provided it could prevent the escape of its ground water to other adjacent areas * * *. This it could largely accomplish by limiting the surface irrigation by canal water and spreading to the central part of the district, and by serving sufficiently wide areas adjacent to the district boundaries with ground water from wells so located as to prevent as much as possible the escape of ground water from the district boundaries to outside adjacent areas."

If this surface supply is almost adequate to meet all of the needs of the North Kern water-storage district, it is undoubtedly sufficient to meet the full needs of the lands belonging to the Kern County Land Co., which owns the surface water supplies and is in no legal way bound to supply other lands in the North Kern water-storage district, or any other district, with either surface or subsurface supplies.

Yet the lands belonging to the Kern County Land Co., possessing the only rights to surface water in the region, are assessed by the county at from $49.25 to $56.75 per acre, as judged by random samples in the district. Other land, not possessing surface rights but dependent for replenishment of ground water upon surface irrigation on Kern County Land Co. lands, have been sold recently by the Kern County Land Co. for from $150 to $175 per acre.

The Di Giorgio Fruit Corporation, through its subsidiary, the Earl Fruit Co., is the largest operator in the area to be served by the Central Valley project, so far as the value of produce is concerned. The Di Giorgio Corporation and the Earl Fruit Co. own and operate a total of some 10,763 acres in the proposed East Side project, the south San Joaquin municipal utility district, and the Tule River-Deer Creek area. The Di Giorgio Corporation is the largest single producer of deciduous and citrus fruits in the United States and one of the largest producers of wine. They produce pears, plums, peaches, nectarines, apricots, oranges, olives, hay, asparagus, and grapes in California; oranges, grapefruit, tangerines, and tomatoes in Florida; peaches and vegetables in Georgia; and, through the Earl Fruit Co., they grow prunes and cherries in Idaho; and cherries, pears, and apples in Washington. The organization is a widespread and highly integrated enterprise. It has its own lumber and box factory at Klamath Falls, Oreg., and sells its own fruit, as well as fruit for others, on a commission basis in Chicago, Pittsburgh, Cincinnati, New York, and Baltimore.

The continued value of the holdings of the Di Giorgio Corporation in the Delano-Earlimart, and the proposed East Side water-storage district depends, in large part, upon the importation of an outside water supply.

Some of the land to be irrigated in the proposed East Side water-storage district is owned by oil companies, whose interests are primarily in the subsurface rights. Some of this land, however, is being operated by tenants or under the supervision of local managers.

TABLE IV.—*Extent of corporate ownership in representative areas to be served by the Central Valley project*

	Percent of total area in district owned by corporations	Percent of the number of farms held by corporations
Proposed east side district	[1] 42.6	27.9
North Kern water storage district	98.4	6.5
South San Joaquin municipal-utility district	[1] 8.5	7.6
Wasco-Shafter irrigation district	[1] 26.7	8.6
Delano-Earlimart district	[1] 17.9	5.2
Madera irrigation district	30.1	------------

[1] These figures were secured from sample areas selected for special study within the districts.

Advantages of large-scale operations.—Before condemning large-scale and corporate types of farming, it will be well to analyze their advantages and disadvantages for, certainly, some strong basic economic force has created this trend toward industrialized farming and the pattern may possess values which should be recognized and amplified in a complete reorientation in our thinking regarding the relationship of land and people.

On the positive side, large-scale operations permit full use of mechanized equipment. This reduces the drudgery of work in the fields, permits better work in land preparation, does the work more quickly when seasonal conditions demand haste, and does the work with less cash costs.

Large-scale mechanized operations not only require efficient management but permits the employment of management skills because of the volume of business handled. Large-scale operations also permit a division of labor which enables the manager to gain the advantages of specialization. The very large farms employ specialists—chemists, veterinarians, entomologists, and plant pathologists—sometimes on full-time employment, to take care of the technical problems involved in control of insect pests, plant and animal diseases, and unfavorable soil conditions, or soil management. They employ skilled tractor operators and mechanics. Large-scale dairy farmers have full equipment for efficient milking and for the care of both the milk and the animals. They can afford good sires and can employ cow testers of their own to check up on production.

Association in production is another principle which is associated with large-scale production. When a job is done, several people can be assigned to it. One man may mow hay, others rake and load, and others haul and stack. The barn raisings, husking bees, and local threshing crews of old, are traditional types of association in production, which are now organized and effectively used by operators of large farms. A view of large-scale farming operations in any line, whether it be extensive wheat culture or intensive fruit and truck production, shows groups of men doing specialized work. The cantaloupe picker, for example, is a specialist. A group of trained pickers cover the fields, while others haul the fruit, and still others grade and pack it, while the irrigator sees that water is applied at the right time and in the right quantity, and the spray crew keeps track of the insect pests and plant diseases.

Division of labor and association in production under management are principles of real value, so far as costs of production are concerned. They also lighten the drudgery and strain of many tasks. They are not wholly associated with large farms, for independent small farmers do associate together in certain operations and are employing specialists in constantly widening fields, but large-scale operations make the application of these principles easier.

Disadvantages of large-scale and corporate farming.—Large-scale farming is leading to a serious stratification of society in the areas to be served by the Central Valley project. A class division is being created between the haves and the have-nots, which is basically antisocial. Its counterpart, concentration of income in the hands of an owner class, on the one hand, and a curtailment of buying power, for the large number who are nonowning wage workers, on the other, is creating a condition that has led to social unrest and disintegration wherever it has occurred. As pointed out, in the discussion of power, the present maladjustment of income is the most serious internal economic problem in the United States. The pattern of large-scale operation in the areas to be served by the Central Valley project is accentuating this basically unsound condition. Efficiency in operation, enables the large-scale farmer to remain in business when the small-mortgaged owner is forced out. Large operators in the upper San Joaquin Valley, for example, can grow cotton for as low as 6 cents per pound. They choose the best land and follow the best husbandry. But that is not the whole picture. In the main, they hire labor for permanent as well as seasonal jobs without providing the land necessary for subsistence, and without providing insurance against want in old age, which is the basic social value of the owner-operated farm pattern. The primary virtue of the homestead ideal is that it is designed to provide job security and a living during the working period of a farmer's life, and security of a home and income after retirement. The large-scale industrialized farm pattern does not possess this basic virtue. The laborers are the lowest paid in the Nation and have less security than the urban workers.

In addition to the concentration of income resulting from large-scale operations, the Agricultural Adjustment Administration payments add to the discrepancy. A casual study of these payments in a restricted area in one district showed benefit payments of $9,950, $9,556.70, and $18,211.65 to individuals and partnerships. Two brothers in Fresno County received $71,543.

The average benefit payments on cotton in California in 1939 came to $323.10, but 6.1 percent of the growers receiving $1,000 or more each, received 48.1 percent of the total payments, while 57 percent of the growers, receiving $150 or less, secured but 11.3 percent of the total amount. In all, $3,506,215 were distributed in cotton benefit payments in California in 1939. These figures in themselves, are eloquent testimony of the fact that large-scale operation dominates in volume of business, while small-scale farms dominate only in numbers.[7]

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[7] From 1939 Annual Report, Agricultural Conservation and Other Programs for California, U. S. Department of Agriculture, Berkeley, Calif.

The effect of a concentration of farm-land ownership and operation upon income distribution is clearly brought out in a table submitted to your committee by Dean Hutchison of the College of Agriculture of the University of California entitled "Minimum average at good yields and 5-year average prices to produce a net farm income of $1,500 a year for a working farm owner and operator free from debt. A copy of this table is inserted here for reference. In the case of walnuts, for example, capital and management income amount to $53.11 per acre or $1,189.60 for 22.4 acres during a year. The owner's labor income, where he does all of the work that one man can handle, amounts to $14 per acre, or $313.60 per year for a farm of 22.4 acres all planted to walnuts. If five walnut orchards were consolidated, four owners might conceivably be retained as laborers. The former individual incomes of $1,500 per year as owner-operators, would be cut to $313.60 as a labor income, while the owner of the consolidated planting would get $5,948, as a capital and management income.

In the case of cotton, the labor income of the owner-operator is $9.30 per acre, or $597 per farm, while the capital and management income comes to $14.07 per acre, or $903.29 per farm. If 1 man consolidated 10 or 20 farms as is frequently done, from 9 to 15 owner-operators getting $1,500 a year would be reduced to laborers getting less than $597.06 a year, because consolidation would lessen the total labor. From 20 to 25 percent of the former growers would be thrown out completely as a result of the use of labor-saving devices, while 1 man, the owner of the consolidated farm, would get from $9,032 to $18,064 per year as a capital and management income. There are many farms of 5,000 acres and more devoted to cotton and crops associated with it, in the upper San Joaquin Valley. One 5,000-acre farm represents the consolidation of 78 independent farms of 65 acres each. The owner-operator of the larger farm would receive a capital and management income of over $70,000, while a large proportion of the 77 independent operators who are dispossessed by the process are reduced to wage hands getting a meager income.

TABLE V.—*Minimum acreage at good yields and 5-year average prices to produce a net farm income of $1,500 a year for a working farm owner and operator free from debt*

Enterprise of kind of farm 1	Good yield per acre 2	5-year average price, 1935–39 3	Gross income per acre 4	Cash costs, labor and, depreciation per acre 5	Capital and management income per acre 6	Value operator's labor per acre 7	Net farm income per acre 8	Acres to provide $1,500 9	Percent of labor hired 10	State average yield, 1935–39 11
Walnuts, irrigated	1,500 pounds	10 cents per pound	$150.00	$96.89	$53.11	$14.00	$67.11	22.4	52	800 pounds.
Oranges	240 packed boxes	$1.17 per box	280.80	204.50	76.30	22.20	98.50	15.2	50	169 packed boxes.
Apricots, ¾-dried	6 fresh tons	$34.60 per fresh ton, 10½ cents per pound, dry.	240.71	206.47	34.24	35.00	69.24	21.7	72	3.4 tons fresh.
Clingstone peaches	10 tons orchard run	$21.26 orchard run	212.60	177.00	35.60	24.80	60.40	24.8	72	8.1 tons.
Rainsin grapes	2 tons, dried	$55.83 per ton	111.66	90.81	20.85	15.90	36.75	40.8	67	1.33 tons, dried.
Prunes	do	$60.60 per ton	121.20	120.00	1.20	[1] 20.00		(2)		1.5 tons, dried.
Barley on summer fallow	1,600 pounds per acre harvested.	$1.04	[3] 17.39	9.91	7.48	.60	[4] 8.08	[5] 371.2	50	1,310 pounds.
Cotton	700 pounds lint, 1,300 pounds seed.	10 cents per pound lint, $1.10 seed.	[6] 84.30	70.23	14.07	9.30	23.37	64.2	80	582 pounds.
Sugar beets	15 ton and tops	$6.50 per ton	[7] 100.50	59.50	41.00	7.20	48.20	31.1	72	13.8 tons.
Diversified: ½ alfalfa, ½ cotton, ½ sugar beets.	Alfalfa 6 tons, others as above.	$9 per ton alfalfa	73.20	61.40	11.80	10.35	22.15	67.7	60	4.3 tons alfalfa.
Poultry	14 dozen per hen	22.1 cents per dozen and stock.	[8] 3.35	[8] 2.57	[8] .78	[8] .54	[8] 1.32	[9] 1,136	None	Not available.
Beef cattle ranch, northeast California.	600 pounds of beef per cow	$6.20 per hundredweight, beef.	[10] 37.20	[10] 28.76	[10] 8.44	[10] 4.16	[10] 12.60	(11)	29	Do.

[1] At 30 acres.
[2] Impossible.
[3] Including straw.
[4] Harvested acre.
[5] Including summer fallow.
[6] Including seed.
[7] Including tops.
[8] Per hen.
[9] Hens.
[10] Per cow.
[11] 119 cows, 3,702 acres.

Column 2. Assumed good yields based on enterprise-management studies, Agricultural Extension Service.
Column 3. California Cooperative Crop Reporting Service "farm price" except oranges, apricots, peaches, sugar beets, eggs, and beef from enterprise-management studies.
Column 4. Gross income per acre is yield times price plus by-products such as stubble, tops, etc.
Column 5. Cash, labor, and depreciation costs per acre from standards for these yields developed by Agricultural Extension Service from enterprise-management study records.
Column 6. Capital and management income, column 4 less column 5.
Column 7. Value operator's labor per acre is maximum possible on this size farm at 30 cents an hour.
Column 8. Net farm income, column 6 plus column 7.
Column 9. Acres to provide $1,500, column 8 divided into $1,500.
Column 10. Percent of labor hired is total labor needed divided into labor which must be hired after allowing for maximum operator's labor.

Keeping families on the farm.—The problem of keeping families on the farms in order that they may be self-supporting, involves this concentration of ownership in the hands of a few large operators, or nonoperating investors, for it cuts the funds which would normally pass into the hands of a larger number of farmers operating family-sized farms. This means an increase in the relief load during periods of slack employment.

It means also a heavy increase in publicly supported old-age relief. An adequate family farm will provide a living during the working period of the owner-operator's life, and the income to ownership will provide an adequate income for him and his wife after retirement. Where four families are displaced by the consolidation of five farms of say, 100 acres each, the income of four families will be reduced to the wage income, with no ownership income to rely on in old age. A fivefold ownership income, on the other hand, will go to the larger owner. When the retirement time comes, the four displaced families will have to be supported out of the income of their children or by the public, unless adequate social-security provisions are made to apply to agriculture.

The pictures in plate 1, compared to the pictures in plates 2 to 12, show graphically what happens to the housing standards. Not only is the income to ownership withheld from the displaced independent operator, but his dwelling becomes a meager shack as compared to what he might have had as a successful operator of an adequate family-sized farm.

Community settlement.—A striking characteristic of large-scale farming is the settlement of the laborers in villages. The size of villages varies, of course, with the size of the farming enterprise, and the standards vary with the financial means and the degree of social responsibility shown by the owners. This practice of concentrating the houses of the laborers in a central area, is patterned after the practice on plantations in the South and is similar in many respects to the old haciendas in Mexico and elsewhere.

The character of these villages can be presented better by photographs than by description. Plates 2 to 12 show pictures taken at random through the districts to be served by the Central Valley project. The advantages of community settlement are numerous. The answer which large operators give to the question, "Why do you settle your farm help in villages instead of scattering them out?" is always the same. It is the most economical way of housing them and providing services, especially water. One well, for example, will serve many families. The village life adds a desirable social contact which is better than the isolation of the widely separated individual farms, at least for most people. Having the labor adjacent to the headquarters also adds to the facility of management.

Nonresident ownership.—The concern of the Congress and of the Bureau of Reclamation over speculative interests, includes, of course, concern over nonresident ownership. The reclamation law says that no sale of water rights "shall be made to any land owner unless he shall be an actual bona fide resident on such land, or occupant thereof residing in the neighborhood of said land." However, from 2.7 to 29.8 percent of the lands in the districts studied are owned by nonresidents. The lowest percentage was in the North Kern water storage district, where nonresident and corporate ownership together covered 92.1 percent of all land. The second lowest percentage was in the proposed East Side district, where 8 percent of the land, in the areas selected for study, was held by nonresidents. Here again nonresident and corporate ownership combined totaled 50.6 percent of the total area and over 77 percent of the farms were farmed by tenants in 1939. In the Madera district, only 10 percent of the land covered by the detailed study was held by nonresidents and 40.1 percent by both nonresidents and corporations. The full figures are given in table VI.

TABLE VI.—*Extent of nonresident ownership in the representative areas to be served by the Central Valley project*

	Percent of total area owned by nonresidents not corporations	Percent of the total number of farms held by nonresidents	Percent of total area held by corporations and nonresidents
Proposed east side district	[1] 8.0	[1] 8.5	50.6
North Kern water storage district	2.7	6.0	92.1
South-San Joaquin municipal utility district	[1] 19.6	[1] 19.7	28.1
Wasco-Shafter irrigation district	[1] 15.7	[1] 2.1	42.4
Delano-Earlimart district	[1] 29.8	[2] 61.1	47.7
Madera irrigation district	10.0	31.1	40.1

[1] These figures were secured from sample areas selected for special study within the districts to be served by the Central Valley project.

[2] Taken from records secured by the State engineer's office.

Tenancy.—The extent of tenant farming cannot be gaged accurately by the amount of nonresident ownership, although most of the land held by nonresidents is farmed by tenants. A large number of local urban dwellers hold land that is rented to small farmers or to large operators, handling many farms. A very casual tabulation of multiple holdings in the areas selected for special study showed the following record:

42 operators handling 2 farms each.
19 operators handling 3 farms each.
7 operators handling 4 farms each.
10 operators handling from 5 to 9 farms each.
2 operators handling over 10 farms or more.

These multiple operators handled cotton and grain land principally. One grain farmer handled 23 individual tracts in the areas studied. Most of the tenants, however, are small farmers handling slightly less than the average acreage. The detailed figures are given in table VII.

TABLE VII.—*Land farmed by tenants in the areas to be served by the Central Valley project*

	Percent of total area farmed by tenants	Percent of total number of farms operated by tenants	Percent of cotton growers who are tenants	Percent of cotton acreage farmed by tenants	Percent of small grain acreage farmed by tenants
Proposed east side district	77.1	76.4	72.4	70.7	80.5
South San Joaquin municipal utility district	28.9	41.2	44.4	43.9	40.0
Wasco-Shafter irrigation district	7.6	19.5	18.1	16.8	47.9
Delano-Earlimart irrigation district	44.2	51.0	49.6	44.2	64.0
Madera irrigation district	21.5	29.5	28.9	19.3	28.9
Average for the State in 1931	16.1				

The family owned and operated farm.—The figures covering the family sized farm—the standards contemplated by the homestead law, the Reclamation Act, and the California State land settlement act, and idealized in general as the accepted pattern in the United States—are no more encouraging than are the figures dealing with large-scale area corporate operation, nonresident ownership, and tenancy. Low incomes and the insecurity and low standards of living, associated with poverty are permanent characteristics of the farms of less than 160 acres in the areas studied.

In its ideal form, the family owned and operated farm, has many basic values. It provides an adequate living for a family and provides an adequate income for the farmer and his wife after retirement.

But it occurs in its ideal form in smaller percentage each generation. Mortgage debt, subdivision through inheritance, and changing techniques have reduced the number of family owned and operated farms to less than half of the total number of farms and an appreciable percentage of those that remain are subsistence farms, often located in areas of rough topography or poor soil where the mortgage lender does not dare to penetrate. The facts which apply to the country as a whole, apply to the Central Valley project as well.

The family farm is inflexible in size and is not adjusted to the employment of trained management nor can the individual farm gain the full advantage of specialization, division of labor, and association in production, which forms so important a part in the operation of large farms. The isolation of the family farm is also in contrast to the greater social contact of rural villages as are found in Utah or in New England.

Standard of living.—In order to develop criteria to use in guiding the standard of living of farm families, it is necessary to go into a little detailed analysis.

A study of expenditures by farm families in six counties in California conducted by the home demonstration division of the California Agricultural Extension Service[8] shows an average expenditure of $1,459 per farm family. There was a range in average expenditure of from $1,330 for families of two persons, to $1,531 for families of five persons. The farm family expenditures as represented by these figures, are above normal. The individual items of expense compare fairly closely to the expenditures of laborers' families living in California cities as given in serial No. R. 630, Monthly Labor Review, September 1937, of the Bureau of Labor Statistics, United States Department of Labor. The comparison is presented in table VIII.

TABLE VIII.—*Expenditures for various items of family living for farm families and urban families in California*

Item in family living	Average expenditure farm families	Average expenditure city families (Los Angeles area)
Food	$288	$471.22
Operating expenses (fuel, light, refrigeration)	162	132.67
House rent and repairs	139	233.32
Clothing	109	164.70
Furniture and equipment	78	65.57
Health	62	62.52
Auto and other transportation	270	199.98
Recreation	54	89.97
Education	73	15.25
Benevolence	78	47.27
Incidentals	21	7.63
Personal	29	35.10
Value of farm-furnished food	96	
Total	1,459	1,425.20
Savings	314	
	1,773	1,425.20

The general average income of $1,459 for the farm family showed food as the heaviest expense. Expenditures for food come to $288, or 19.7 percent of the total cash costs. Food raised on the farm amounted to $96. In other studies made by the Bureau of Home Economics of the United States Department of Agriculture, shows a low of $126 for food raised on the farm in California, to a maximum of $553 for food raised on the farm by families studied in North Carolina.

In Iowa, it came to $331 and to $265 in Colorado, Montana, and South Dakota. The low income from farm-raised produce in California is reflected in the scarcity of gardens on the farms covered in the present study. Adequate gardens are rare.

The problem of home production is little understood. It does not represent a net saving by any means. An expenditure of $438.54 for food for a family of five is considered adequate for basic maintenance and emergency standards of living.[9] Of this total, $120.77 consists of prepared foods, some of which can not be produced on the farm and others which can best be made by commercial concerns. They include $82.27 for bread and cereals; $31.76 for sugar, sirup, tea, coffee, salt, pepper, spices, etc.; and $5.74 for cheese. The other items amounting to $317.77 consist of the following: Milk, $130.84; vegetables and fruit, $71.64; meats and fats, other than butter, $67.91; butter, $28.90, and eggs, $18.48. But these are not produced without cash costs. Interest on land devoted to garden, orchard, and feed for cows, hogs, and poultry; interest and depreciation on minimum building requirements; irrigation water, taxes, interest, depreciation, and repairs on minimum equipment; interest and depreciation on cow, hogs, and poultry; bull service, seed, fertilizer, and spray materials, and purchased feed for cows and chickens, which cannot be produced on the farm, all come to from $135 to $180 per year, which reduces the possible net savings on home-produced food to from $137 to $182 per year. Farmers are conscious of the costs and many gave as an explanation for no gardens that they could buy most of the food they needed more economically than they could raise it. Unsound as such a position is, it is the position taken by those who do not have gardens or do not keep a cow. And the position is not as unsound as it appears to be at first glance.

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[8] Home Management Program, Home Accounts, 1939, College of Agriculture.

The city worker spent more than the farmer for food, rent, and clothes, recreation and personal items, and less for furniture and equipment, auto, education, benevolence, and incidentals. The laborer's family had no credit for home-raised produce. The expenditure for health and recreation were about the same. The average income for all families on the Pacific coast in 1935–36 was $1,335—somewhat below the expenditures above listed.

It is interesting to know that none of the farm families considered their expenditures adequate. Each—regardless of the amount spent—would have spent more if they could have afforded it. It is apparent that even the more well to do farm families can easily consume more goods and services than they do now, if their buying power can be raised.

The farm families saved an average of $314 in addition to their expenditures. No record was given covering the savings of labor. The $314 set aside for saving is inadequate. Over a period of 40 years with interest at 3 percent, this amount of savings would amount to $7,251. The average value of wholly irrigated farms in California is $24,747. The average value of irrigated farms in Tulare County was $22,100 in 1930. The savings would, therefore, not pay for an average farm over a normal work period of 40 years, representing the period between the ages of 20 and 60 years.

Now, to interpret these facts in relation to the farm situation in the upper San Joaquin Valley. The minimum acreage required to produce a net farm income of $1,500 a year for a working farm owner and operator who is out of debt, secures better than average yields, and receives the 5-year average price is set forth in table V.[10] The acreage set forth in this analysis represents the size of farms required to approach the standards set in the analysis given in table VII, where the net farm income came to $1,773, which was considered inadequate by all of the families involved and which did not provide enough saving to pay for an average California farm over a period of 40 years. The acreage to secure a net income of $1,500, ranges from 15.2 acres of oranges yielding 240 packed boxes per acre (State average 169 packed boxes), to 67.7 acres, one-fourth devoted to cotton, one-fourth to sugar beets, and one-half to alfalfa.

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[9] Report on Quantity Budgets for Basic Maintenance and Emergency Standards of Living, prepared by the Division of Social Research of the Works Progress Administration, based upon studies by Dr. Hazel Steibeling, of the Bureau of Home Economics of the United States Department of Agriculture.

[10] Taken from Some Notes on Acres of Crops Required to Provide Net Farm Income of $1,500 and Effect of Size of Farm to Hired Labor Needs, prepared by the College of Agriculture, University of California, for the Congressional committee appointed to study the migrant problem.

The pictures on following pages were submitted by Walter E. Packard and are referred to in his testimony on pp. 3269 et seq.

PLATE 1

Two owner-operated farm homes of the traditionally accepted pattern. One industrialized farm of 1,000 acres with its low income to labor and low standards of living may be substituted for 10 farms of this type by large-scale operations.

PLATE 2

3288–B

PLATE 3

A farm village to be served by the Central Valley project, Calif. Besides the numerous laborers' homes (above), the ranch headquarters provides a store and a bar (below).

PLATE 4

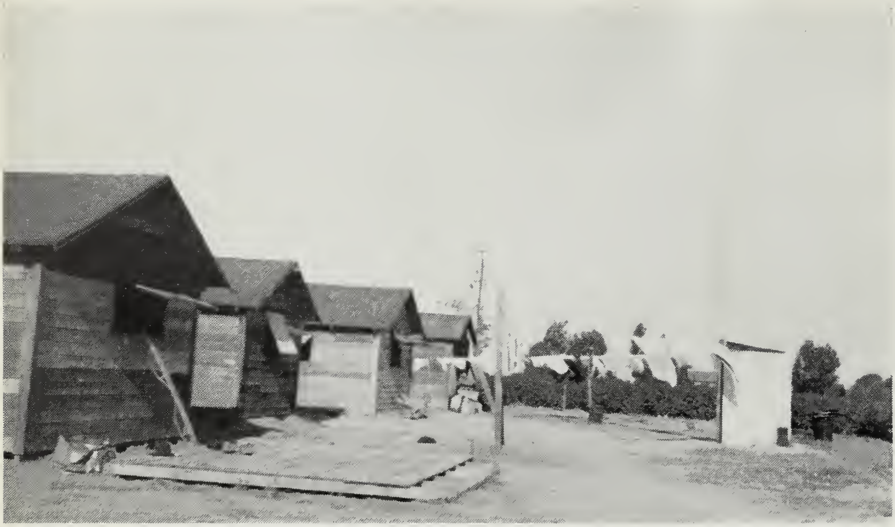

PLATE 5

Views of different parts of one ranch village.

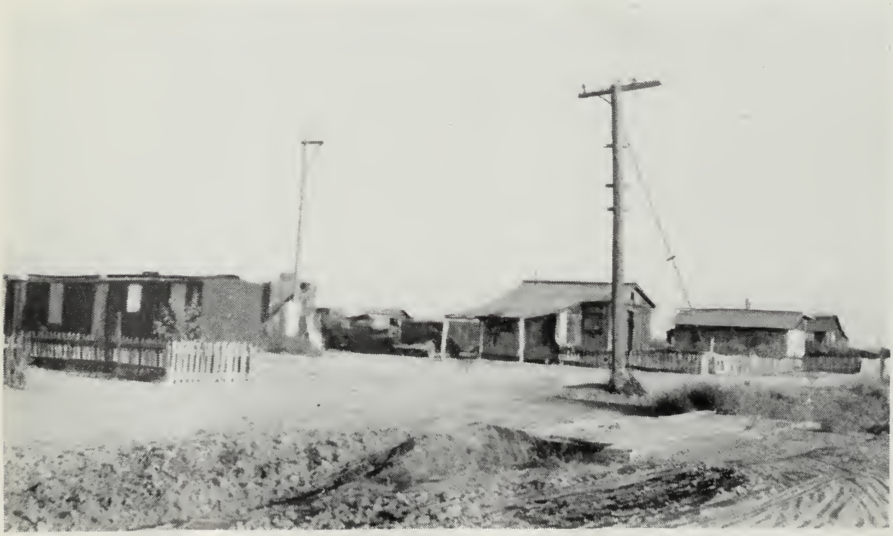

PLATE 6

3288-D

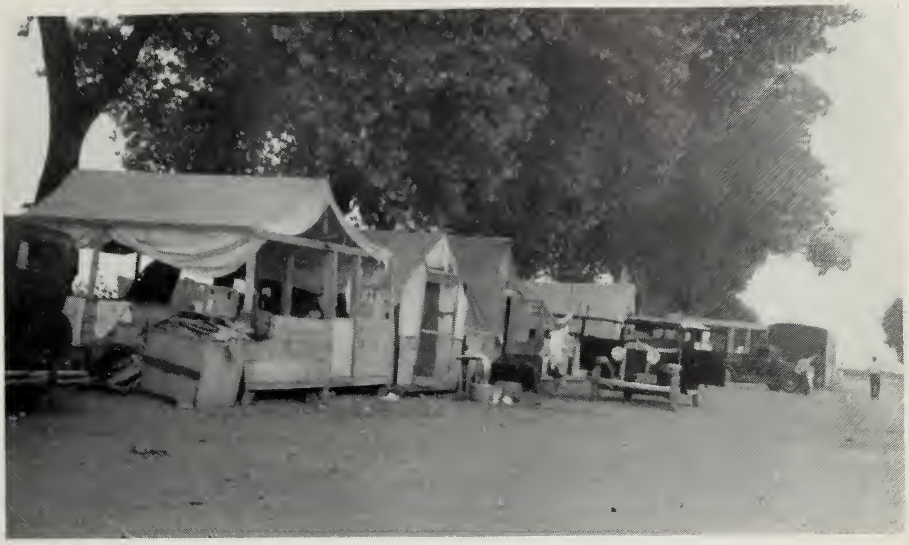

PLATE 7

Community settlement on the outskirts of a farm village.

PLATE 8

The home of a large farm operator.

PLATE 9

A home at one of the headquarters of a 21,000-acre ranch in California.

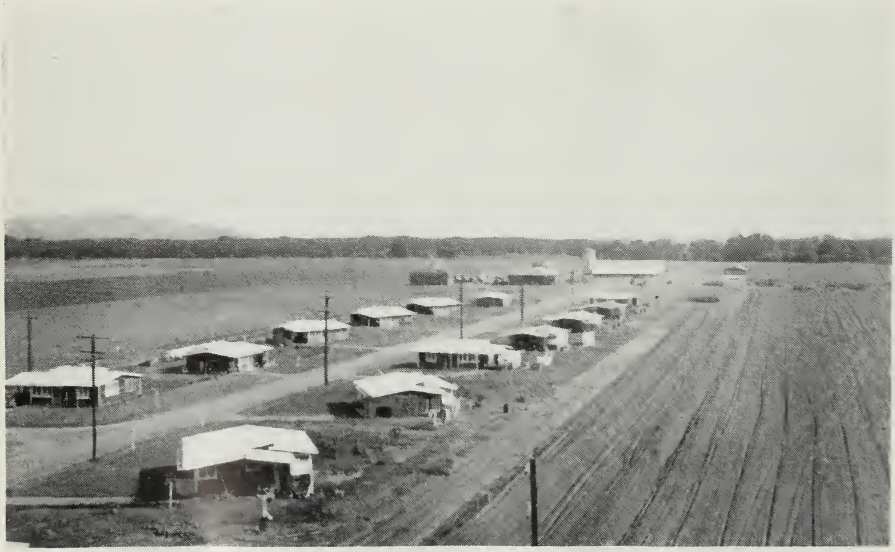

PLATE 10

The Mineral King ranch, established by the Farm Security Administration in Tulare County, Calif. The farm buildings are in the background. The shade and fruit trees are too young to show, but in a short time will dominate the scene.

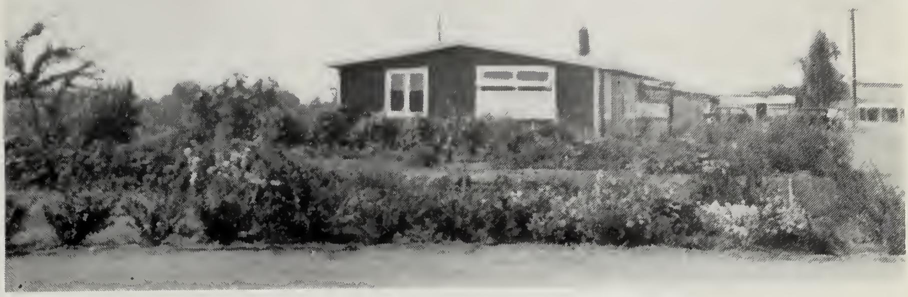

PLATE 11

A close-up view of one of the homes on Mineral King ranch (previous page).

PLATE 12

A close-up view of four of the permanent homes for part-time farmers in Thornton, in the delta section of San Joaquin County, Calif. The gardens serve to reduce the high cost of living.

3288–G

Table IX.—*Holdings of 160 acres or less in districts to be served by the Central Valley project*

	Percent of total area in farms of 160 acres or less	Percent of total number of farms 160 acres or less	Total number of farms of less than 65 acres		Percent of total number of farms of less than 40 acres	Percent of total number of farms of less than 20 acres	Percent of total number of farms of less than 10 acres
			Percent	Average size, acres			
Proposed east side district	34.2	60.2	----------	----------	0.3	None	None
North Kern water storage district	2.0	18.0	----------	----------	.04	None	None
South San Joaquin municipal utility district	54.5	84.3	51.8	34.6	----------	----------	----------
Wasco-Shafter irrigation district	54.9	92.9	----------	----------	70	39.1	15.7
Delano-Earlimart irrigation district	55.3	90.4	57.9	30.5	48.8	31.9	13.0
Terra Bella irrigation district	93.4	99.7	----------	----------	95.4	76.3	28.8
Lindsay-Strathmore irrigation district	93.7	99.2	----------	----------	83.2	57.1	39.9
Madera irrigation district	50.5	93.8	82.4	28.9	----------	----------	----------

Local opinion regarding living standards.—Another criterion of desirable size of holdings is presented in the "Brief of Land Use Survey of Kern County," prepared by the county and community committee of farmers. The desirable minimum farm sizes recommended by this local committee are as follows: Field crops, 80 to 160 acres; fruit, about 50 acres; truck, 15 to 20 acres; and dairying, 160 acres. The family-sized farms in the upper San Joaquin Valley do not conform to the standard set.

A comparison of actual standards with the theoretical ones.—In table IX a division is made of the farms of 160 acres or less in the area studied in the upper San Joaquin Valley. In the Madera district, where cotton and general farming predominates, 82.4 percent of all farms in the district under 160 acres include less than 64 acres per farm, the minimum set as necessary to secure an income of $1,500. Furthermore, the 82.4 percent were far from free from debt and the average small cotton grower did not get a yield of 700 pounds of lint per acre. The 5-year State average is but 582 pounds per acre. Approximately 50 percent of all farms in the Madera district are less than half of the 64-acre size set as a minimum for field crops, yielding above the State average.

Table X.—*Relative importance of orchards, vineyards, and vegetables on farms of 40 acres or less in three districts in the Upper San Joaquin area*

	Number of farms of 40 acres or less	Percent of farms of 40 acres or less, having orchards	Average acreage in orchard	Percent of farms of 40 acres or less, growing truck crops	Average acreage in truck crops
South San Joaquin municipal utility district	72	25.0	15.4	15.2	5.3
Delano-Earlimart district	233	24.9	16.2	12.8	8.3
Madera district	205	17.0	12.1	8.7	4.7

The South San Joaquin municipal utility district in Kern County and in the Delano-Earlimart area in Tulare County are known as vineyard and orchard areas. As a matter of fact, however, only 25 percent of the farms of less than 160 acres have trees or vines. Fifty-one percent and 57.9 percent, respectively, of the farms under 160 acres are under 64 acres in size, the minimum required for cotton and other field crops. One-third of the farms in the South San Joaquin municipal utility district, and 41 percent of the farms in the Delano-Earlimart area, that are under 64 acres, contain less than 32 acres, or less than half enough land to secure a net income of $1,500 on better than average soil. The average of all farms under the 64-acre level ranged from 29.9 acres in Madera County, to 34.5 acres in the South San Joaquin municipal utility district. In the Wasco-Shafter district 70 percent of all farms are under 40 acres. The number of farms under 20 acres ranged from 8 percent of all farms in the South San Joaquin municipal utility district, to 39.1 percent in the Wasco Shafter district.

These small farms, moreover, are not devoted to orchards and truck crops. In the area selected for special study in the Wasco-Shafter district—the only district studied where truck crops are important—50 percent of the potato plantings were made by 4 growers out of a total of 29 growers. These four handled an average of 270 acres each. Five other growers handled an average of 117 acres of potatoes each. The remaining 59 percent of all potato growers handled 17.4 percent of the potato acreage. In the South San Joaquin municipal utility district where orchards and vineyards predominate, 71.6 percent of the orchards and vineyards in the area studied were operated by corporations and tenants. In the Delano-Earlimart area, also devoted largely to trees and vines, 14 corporate holdings include more than half of the total acreage in orchards and vineyards. The 122 noncorporate vineyards and orchards average 34.2 acres, but 71.3 percent of these averaged but 15.6 acres. As this is a vineyard area, where 40.8 acres of raisin grapes are required to make a minimum income of $1,500, the significance of these figures is apparent. Moreover, the average yield of 2 tons per acre required to make the $1,500 income is higher than is secured on any but the better vineyards in the area. The general relationship between small farms and fruit and truck production in the areas studied is shown in table X.

The same general fact is true in the citrus belt also. Approximately 40 percent of the holdings in the Lindsay-Strathmore irrigation district and 28.8 percent of the holdings in the Terra Bella irrigation district are under 10 acres. The university studies show 15.2 acres of oranges yielding 240 packed boxes per acre as necessary to bring a net income of $1,500. The State average yield is but 169 packed boxes per acre and the Tulare County plantings, in general, do not equal the State average.

A fact of importance, then, in considering the farms which come within the 160-acre limit set by reclamation law is that they are, in general, too small—much too small to bring an adequate income to the owner operator who is free of debt and has better than average yields. This is true, even if the owners were free from debt, which most of them are not.

Tulare may be taken as a representative large-scale farming section. It contains the largest peach ranch in the world and one of the largest vineyards. It is the fourth largest county in the United States, from the standpoint of the value of production. It has more tractors than any other county in the United States, which is a rough measure of the industrialization of its farming enterprises. And during a part of the year (1938 record) more than a third of the population of the county are on relief.

The following extracts from A Social Survey of Housing Conditions Among Tulare County Relief Clients, April 1939, presents a general picture of conditions: "Since the case load was widely scattered over the county, representative data could be obtained on every normally inhabited section. The result is a study of rural housing in all its phases, along the national highway, the county road, the ditch, the canal, in a private or public camp, at the back of a better house, in a tent, in a shack, along a stream, under a fruit tree, or on the unpaved streets of a rural village.

"While recent fiction and motion pictures have touched incidentally on rural housing, it should be pointed out that they cover only a phase of the problem, the housing of migrant people, the temporary makeshift structures of families who have no permanent homes, whose seasonal migrations repeated year after year produce only temporary migratory shelters in every area in which they work."

Present or potential housing facilities depend on the current demand and the ability of private business to build homes for the low-income groups. On a Nation-wide basis the housing demand is so great that there are shortages for almost every income class. This demand reaches intense proportions in the lowest income groups and results, first, in inflated rents for substandard housing, and second, in the progressive utilization of poorer types of structures. Relief agencies in both urban and rural sections artificially stabilize rents, not at their true housing valuation, but at the level of the budgetary allowance for such families. The results of this high demand, the housing shortage and stabilized relief-rental allowances, are to perpetuate and even extend bad housing.

It is not possible for private business to build housing for the lowest income groups on a large scale. Rents must be low; otherwise, the houses will be rented by persons in higher income brackets. For private business to build large-scale housing for the lowest income groups two conditions would have to be met: First, low rentals, meaning, of course, a very small return on the investment extending over several years, prohibiting any profit, and second, a social approach that would insure that housing reached the groups for which it was intended. This would mean denying available housing to persons or families above a certain income level. Obviously, no private undertaking could successfully carry out such a plan. A large-scale investment of this type of social undertaking would call for considerable State and local subsidies in the form of capital outlays, leases of land, destruction of old buildings, etc.

Specifically, what is the so-called housing that those families live in? They are blighted houses, unimproved shacks, tents, pump houses, wobbly structures built out of materials patched together with all types of wood and home-made improvised roofing.

As a standard, the minimum requirements of the California State Housing Act have been used. These requirements are not high. Yet the greater portion of the housing surveyed falls so far below the minimum standards that it could only be classified as makeshift, poor, and dangerous.

What types of people live in those houses? They are, in the main, State relief administration clients, workers on the Work Projects Administration, agricultural workers receiving Farm Security Administration grants, county welfare clients, recipients of blind aid, and old and infirm persons on old-age security. These groups in peak seasons amount to about 35 percent of the total population of the county. During these times the State relief administration has about 5,000 families or 22,000 individuals; the Work Projects Administration, 1,000 families or 4,400 individuals; the Farm Security Administration, 1,400 families or 6,160 individuals; county welfare department and categorical aid groups total at least 1,000 families with 4,400 individuals. This is a total of 37,000 individuals. The 1940 census shows a total county population of 106,285 persons.

The laboratory method applied to the land problem.—No one has the final answer to the social and economic maladjustments apparent in the areas to be served by the Central Valley project. The problem of large-scale farms, on the one hand, and the two small farms on the other, cannot be wholly segregated in any case. They are but a part of the basic lack of balance, created by a failure to adjust our way of doing things to the needs of a mechanistic age. But the direction in which economic balance and social stability lie is clear. The correct formula must be worked out by study and by laboratory trials, just as the physical scientist works out hypothesis in experiments of many kinds.

Policies of the State and Government have favored the ownership of farm land by those who till it. Historically, the family owned and operated farm has been the pattern used to accomplish this goal. These policies are in direct opposition to absentee ownership, corporate operation, and the concentration of ownership in the hands of a landlord class. But the facts show that the devices so far employed have not accomplished the desired result. The accepted pattern is a reality in part only and where it is a reality, it is not working well. These facts are amply demonstrated in the areas to be served by the Central Valley project.

The Durham and Delhi colonies were attempts to force land use into the accepted pattern. They were based on the hypothesis that the problem was one of credit—that long-term payments, low rates of interest, and expert management assistance through supervision of credit expenditures would correct the difficulties which there then apparent to all students of the land problem.

Experience, however, showed the hypothesis to be inadequate. The formula did not take all of the facts into consideration. It disregarded the inexorable force of machine production, for one thing. It also disregarded the need for markets. The project was started at the end of the two-blades-of-grass-where-one-grew-before era and was at the beginning of a period when mechanical power was replacing horses and mules. Credit was but one problem among many. Furthermore, the plan failed to meet the problem of land speculation which it was designed to solve. The formula was not complete, nor wholly realistic in this regard. The price paid for the land at Delhi was an example of unconscionable acquisition of increments in land value by the land speculators who unloaded to their decided advantage. Easy credit could not overcome this initial disadvantage, even if the size of holdings had been more closely geared to machine production.

The policy followed by the Bureau of Reclamation in the Columbia Basin project was a more direct and effective way of approach to the problem of land speculation. There, the price of land was limited by law to its dryfarm value. This left little room for acquisition of increments in value, at least by the original owners. Similar provisions elsewhere, however, have not prevented acquisition of large holdings or speculation in land values later on.

The failure of the formula used as a basis for the Durham and Delhi colonies, however, does not mean that the laboratory method is inapplicable to land problems. A mistake was made in considering the colonies as demonstrations of a solution supposed to be a sound one, rather than as trials of a formula which many believed to be workable. Condemnation of the colonies was substituted for critical analysis. The projects were written off as financial failures with no attempt to salvage the experimental results which would have been worth the cost many times over if they had been analyzed and applied.

The Resettlement Administration, unlike the State land-settlement board, was started when consideration had to be given to the marketing of the extra blade of grass and at a time when the logic of technology was becoming apparent. In the light of experience on State land settlements, Federal irrigation projects, and in private developments, it seemed apparent that new and sounder ways of doing things might be worked out. It was obvious, also, that credit was not the whole answer. Neither did it appear that a forced subdivision of land into family sized farms would meet the problem. A uniform size of unit does not provide the needed elasticity to meet variations in capacity of the operators, the varying demands of different crops, or variations in acreage required to provide an adequate income. Furthermore, it seemed unwise to go against the experience of commercial operators who were farming large areas with full use of lavor-saving equipment and management skills and techniques. In spite of attempts on the part of the Government to force the family farm pattern, consolidation of holdings has taken place on many projects where conditions favored large-scale operations. This persistent trend toward large farms may indicate a sound change of direction, as far as land-use patterns are concerned.

This situation is illustrated by the record on the San Carlos project in Arizona, administered by the United States Bureau of Indian Affairs. Over $10,500,000 were spent by the Government in the development of an irrigation system to serve 100,000 acres of land. This included construction of the Coolidge Dam on the Gila River and the development of 88 supplemental wells. Most of the land on the project passed from public to private ownership through the Homestead and Desert Land Acts since 1908. Land was thus distributed to prospective owner-operators largely in 160-acre units. Shortly after title passed out of public hands, concentration of ownership set in. The enabling act under which the San Carlos project was authorized, required that all landholders owning more than 160 acres, to deed the excess to the Government at no cost to the Government.

This was done. But in 1935, 11 years later, when the Resettlement Administration purchased 3,600 acres of land in the project for the resettlement of dispossessed farmers, they dealt with with but nine owners, all nonresidents except two, and none were living on the land and operating it. The largest landholder was a bookkeeper in San Francisco who owned 800 acres. After the mortgage liens were all paid, he received $3,000 as his equity in an $80,000 transaction. All of the farms but one, were handled by tenants. One farm was handled by the owner through a manager. Housing conditions were, in general, wretched. On one 800-acre farm, 8 families lived in a shed with dirt floors and separated into 1-room apartments by chicken wire. This represented the best housing on that ranch—except for the hired manager's house that had a value of about $300. Some of the farms purchased had no permanent buildings. The tenants lived in town or in tents.

The land on the project was thus given away originally in family sized units through the Homestead Act. The irrigation system was built with no interest charge on the construction costs. A farm adviser and assistant were available in the county. The State and Government had carried on experimental work which had answered many technical problems. The land bank had loaned money in the area. The Agricultural Adjustment Administration contributed funds for surplus control and soil conservation. But in spite of all their effort, the area was a rural slum of the worse sort.

Obviously, the bad results which the facts made evident, were not caused by the efforts which the State and Government had made. Regulations and recommendations were simply not followed. The laissez faire policy of doing what appeared to be in your own best interest caused the slums. The desire for increment in land value and for large profits in operation were more powerful in their operation than were the broader social policies of the State or Government. The formulas used were proved inadequate.

In view of these facts—obvious in varying degrees everywhere—where good soil and favorable topography permits the efficient use of mechanical equipment, it seemed best to develop new formulas and to try them out. Several projects, therefore, were established as laboratories where new formulas could be tested. One of these was located in the upper San Joaquin Valley.

THE MINERAL KING PROJECT

The Mineral King ranch, 3 miles east of Visalia, was selected for one of these experimental settlements. Seven hypotheses were followed in planning the project.

The first hypothesis was that security of occupancy and use of adequate farming area are essential features of sound tenure. Private ownership of land has had the insecurity of mortgaged ownership, to tenancy of an undesirable type, to soil erosion and land speculation. It seems logical, therefore, to attempt a complete change in tenure arrangements by providing for permanent Government ownership of the land with use rights granted to individuals on leasing terms which protect the public interest and provide security and an adequate income to settlers. This was done, not only at Mineral King, but on many other resettlement projects in other States. And so far this phase of the experiment is working well.

The second hypothesis was that division of labor and association in production under competent management offers economies in farm operation which cannot be fully enjoyed by independent operators. The 530 acres, therefore, were leased as an operating unit to a corporation composed of settlers who operate the land as a corporate enterprise.

The third hypothesis was that farmers might be able to cooperate in production if the difficult problem of distribution of income was handled through the payment of wages for labor performed under the direction of a ranch manager, with the normal democratic machinery for protest. This admittedly is the weakest link in the chain. Producers' cooperatives usually fail because of disputes over what each contributes toward a common product. The wage plan may solve that problem. It does not occur in consumer cooperatives because there the benefits are measured by what one buys for his own use, not by what one contributes toward a common supply. Marketing cooperatives, which have been unusually successful are consumer cooperatives in principle. The farmers cooperate only in buying the goods and services that they need. They buy paper wrapping, boxes, advertising services, and transportation. But they are highly competitive as producers. Each is paid for his own supply.

The fourth hypothesis is that community settlements permit material savings in utility services and offers definite advantages in the operation of any large property. The grouping of houses in a village contributed[11] materially to financing the installation of flush toilets, baths, sinks, and wash trays in each of the houses. Grouping of houses also permitted the use of natural gas for cooking and heating. Natural gas is the cheapest fuel supply in the area.

The fifth hypothesis was that the Government cannot collect from people with inadequate income. The impossibility of securing payments which require a cut in essential living budgets is well illustrated by the records prepared by the Bureau of Home Economics of the United States Department of Agriculture, covering the expenditures of over 15,000 farm families located in 19 States in the South, the East, the Middle West, and the West. In all of these accounts the record of "Change in net worth" showed a loss when the net family income dropped much below the $1,200-a-year mark. In North Carolina families receiving $1,117 per year ($674 of which was supplied by the farm in rent, food, and fuel) saved $82. In Iowa families receiving $1,112, with $476 furnished by the farm, showed a decline in net worth of $38. In California families receiving $1,123, with $290 furnished by the farm, showed a net decline of $151. Families in the $1,000 to $1,249 income class in New Jersey, Michigan, Wisconsin, Illinois, Iowa, Kansas, North and South Dakota, Colorado, Montana, and California showed a loss in net worth. They apparently preferred to sacrifice their inventory value rather than cut down their living expenses. Families in the same class in Vermont, Ohio, Pennsylvania, Washington, Georgia, Mississippi, and North Carolina saved from $26 to $83 during the year. Families in all of these States, with the exception of Mississippi, showed a decline in net worth when their incomes dropped down to the $750 to $999 class. Families in Mississippi receiving an average income of $870 made an average saving of $9. In New Jersey, on the other hand, families in the $1,250 to $1,499 income class, with an average income of $1,369, showed a decline in net worth of $45.

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[11] As shown in plate.

These records indicate rather clearly that there is a point at which families prefer to sacrifice possible future security for immediate needs. It seems apparent, therefore, that a project organized on the basis of an income below the $1,500 a year mark has little chance of financial success. It will require an income of $1,200 to meet immediate needs of a family and savings of $300 per year in addition to provide a minimum security for old age. Three hundred dollars in savings with interest at 3 percent will pay for a farm costing $6,928 over a period of 40 years.

On the basis of this theory of income, 10 families were located on the 530 acres comprising the Mineral King ranch. After meeting all contractual obligations to the Government; after making payments to the county in lieu of taxes, and paying themselves 30 cents an hour for their work, there was a profit of $6,000 in 1938. A portion of the profit was spent for cows as a means of increasing the returns. A serious attack of contagious abortion broke out in the herd, making it necessary to dispose of all the stock at an appreciable loss to the settlers who had to foot the bill. In 1939 the profit rose to $7,500. A portion of this was set aside as a reserve fund. Some of it was used to recoup the loss on the dairy herd and a portion was distributed as a wage bonus. This labor bonus was paid both to settlers and to 102 cotton pickers not resident on the project. Cotton pickers were paid at the rate of 90 cents per hundred for the first 2 weeks. The price was then raised to $1 and later to $1.30 per hundred. The bonus payments were in addition to these regular payments. These facts have special significance in view of the strike of cotton pickers in Madera County in 1939 to raise the pay above 80 cents per hundred, set by the large growers.

The prospect of 1940 returns on Mineral King are better than for any previous year. In addition to larger yields, the dairy herd is being established.

The income per family on the Mineral King ranch in 1939 was approximately as follows: Wage income, $720; wage bonus, $200; rent, $180; income from gardens and from reduced cost of fuel and milk, $100; total income, $1,200. Savings are covered in part by the reserve account. The income from the farm can be appreciably raised by expanding the garden area. The fruit trees now planted will cut the cost of the fruit supply as soon as the trees are in bearing. These economies will bring the income per family to $1,500 or more, including savings. With this standard as a minimum, the Government should have no difficulty in having payments met in full.

Although the settlers are meeting their contractual obligations, including contributions in lieu of taxes, full water costs, and interest on debt, the debt does not include the full cost of land and buildings. Construction was, at first, carried on under the handicap of relief labor requirements, which raised the cost. Interest is, therefore, based on the appraised value rather than actual cost. Furthermore, the present cost of superintendence is higher than a project of this kind can carry. An isolated settlement of this kind faces this heavy overhead, which must be charged against the experimental character of the enterprise. If the principle proves worth while, the pattern can be expanded on a scale which will reduce the overhead to a figure that can be borne.

A sixth hypothesis was that farmers do not like chores. The extra work of raising a garden and tending to cows and other livestock before breakfast and after supper, adds little to the value of a "way of life." It is why gardens are not what the outsider thinks a farmer should raise, and many prefer to work for wages on the outside and to buy milk rather than keep a cow. In a village set-up with cooperative operation of the farming enterprise, there seems to be no reason why division of labor could not be used to eliminate the chores. At Mineral King, therefore, there are no family cows. The ranch dairy supplies all of the needs. Milk is distributed on the same basic principle that governs any publicly owned service, such as a domestic water supply, for example. It is a consumer-controlled service. Milk is sold to settlers at 20 cents per gallon, and the supply is adequate. The main garden can also be operated as a part of the regular ranch work, thus eliminating this rather burdensome chore and at the same time providing an ample supply of garden products at a low cost.

This application of the principle of division of labor is one effective way of shortening the working day for the farmer and of absorbing more people in agriculture as an occupation, without lowering their standard of living. On the Mineral King ranch, some are engaged full time in taking care of the duties which form the chores on the family farm. Developing new services such as a central water plant and sewer system, creates jobs for some of those who are displaced by the machine. It is but an application of the logic of technology which calls for a general raising of the standards of living as a way of creating a market for the goods and services which industrialization makes possible.

The same principle of specialization applies in other ways as well and leads to the seventh and last hypothesis, that diversification is sound husbandry. It conserves the soil and spreads both the business risk and the labor loads; and diversification has been preached for many years, but it is not generally practiced on the average farm. Agriculture is rather becoming more specialized; diversification, however, is being carried out effectively on a community basis in many areas. In Imperial Valley, for example, old cantaloup land, freed of Bermuda grass by intensive cultivation, is rented by dairymen who must have clean land for alfalfa. The cantaloup man, on the other hand, wants rich land and rents the old alfalfa land given up by the dairyman. It is badly infested with Bermuda grass as a result of pasturing and lack of cultivation, but right plowing soon eliminates it. Thus, two separate interests, each specializing in a particular crop, operate on a community rotation basis which meets basic needs.

At Mineral King, this type of rotation is carried out on a well organized basis. The dairymen take care of the cows. The irrigator specializes in irrigation. Cotton men raise cotton, and the fields are rotated. But the rotation does not mean that each man must be a specialist in many lines. Each, on the other hand, does the thing he can do best. At least, that is the theory.

Labor camps.—Another experiment was tried. Seasonal farm laborers are normally congregated in shack towns. Obviously, their wage earnings are not large enough to meet normal costs of living. Their standards of housing are necessarily low; their health becomes a public problem; and their children lack the basic care and culture which any child in a rich country should have.

In order to alleviate the conditions found by this migrant group, the Farm Security Administration has established several rural villages where the families can live in comparative comfort. Running water is installed at each house; hot and cold showers, flush toilets, and washing machines are located in utility buildings situated in the center of a group of houses at convenient intervals through the camp. A central building serves as meeting place and recreation hall. Kindergarten classes, sewing groups, and church organizations utilize the building. Outside playgrounds for children and adults provide seasonal recreation facilities. Educational classes, movies, and entertainment, usually put on by local talent, occupy the evenings. The assembly hall is frequently crowded to standing room at these various functions. A village nurse is employed to look out for health conditions. A clinic is located in each village. In one village in Arizona a 60-bed hospital is nearing completion. It will serve a wide area. Plates submitted with this statement show views in three of these migrant villages established by the Farm Security Administration.

The services available to these families form a forceful challenge. Many of the features of village life have been urged for the group by the home economists who are atempting valiantly to improve conditions in the ordinary home, where isolation limits opportunity and raises the cost of services which any village group can have at moderate cost.

This brief discussion of recent attempts to adjust land-use patterns to modern conditions is not offered here with any idea that these experiments necessarily provide the best or final answer. They do show, however, a needed willingness to face the issue squarely. They probably point in the right direction, but they are trials only.

CONCLUSIONS

This reconnaissance study of some of the social and economic aspects of the Central Valley project, indicates four needs. The first concerns reclamation laws and administrative rulings covering land use. They are not geared to present-day conditions which are set, in part, by the use of new mechanisms in production. The need for variation in size of operating units and of new patterns of tenure require a revaluation of past concepts and an adjustment of laws and regulations to meet the new conditions.

The second need concerns a change in the existing patterns of land use which have developed fortuitously in the areas to be served by the Central Valley project. The trend is toward small part-time farms on the one hand, and large feudallike estates on the other. The trend is away from the family owned and operated farm that is large enough to provide an aceptable standard of living without supplemental income from outside labor. An attempt to blindly force a family pattern, may be both socially and economically unsound. The large-scale farm offers many distinct advantages. But the present patterns of large-scale operation contain the seed of its ultimate destruction, for it is basically unsound and cannot form the foundation of a permanent society. These large-scale farming patterns deserve careful analysis in order to evaluate properly their positive and negative values as a basis for planning wisely for land use and tenure.

The third need concerns repayment of construction costs. This problem cannot be divorced from the problems of land and franchise values, which penetrate deeply into existing ways of doing things. If the project is to be self-liquidating, all major increments in value will have to be assessed. Furthermore, the full increments in farm-land value will have to be directed into repayment channels. if the costs, properly chargeable against farm land, are to be met in full. This will involve a consideration of the salvaging of existing values which will disappear if an outside water supply is not provided. The power issue is, of course, involved in any consideration of repayment possibilities.

The fourth need concerns procedure. The problems involved call for new national policies. They affect labor, the farmer, and the public; and they are basic in character. No one agency represents a sufficient breadth of interest to undertake the task of formulating policies for consideration by the State and the Congress, so far reaching in effect as these will necessarily be. Changes are needed in the present policies of the Farm Credit Administration, the Agricultural Adjustment Administration, the Farm Security Administration, and the Soil Conservation Service as well as those of the Bureau of Reclamation. Each of these administrative agencies are directly involved in the area. These agencies should join together with research and planning organizations in formulating new policies. The University of California; State and county planning boards; the Bureau of Agricultural Economics, the Office of Irrigation Investigations of the United States Department of Agriculture; the State department of public works; the State and Federal Departments of Labor; the Farm Bureau Federation; the Grange and Farmers Union; all should have an important part in investigations, research, and policy formation. The Central Valley project, in a very definite way, is the major test of the capacity of a political democracy to meet basic economic issues through study and planning, rather than through disintegration, with the necessity of rebuilding upon a new foundation.

In view of these needs and in view, also, of the serious character of the present trend in rural areas, it is felt that construction of the Madera and Friant Kern Canals be delayed until some provisions have been made to safeguard the public interest. Perhaps the water to be stored in the Friant Reservoir could be used on the west side, under strict provision covering size of holdings or social legislation protecting the interests of labor and the public, pending the completion of negotiations regarding these matters in the other areas.

STATEMENT OF DR. WALTER PACKARD, CONSULTANT, BERKELEY, CALIF.

Can the Low-Income and Destitute Farm Population Improve Their Status Through Cooperation

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Although circumstances govern human action very largely the social order is formed in part by the philosophies held by those who cast the votes. A philosophy of class rule, for example, whether it be by an owning class or by labor, may lead to action which is opposed to the general welfare.

The present lack of balance in our economy is due to a concentration of income resulting from an uneconomic application of the philosophy of private ownership. Dr. Harold G. Moulton, president of the Brookings Institution, has this to say regarding this particular problem:

"As to income distribution and its results,[1] we found in the second division of our study the proceeds of the Nation's productive efforts going in disproportionate and increasing measure to a small percentage of the population—in 1929 as much as 23 percent of the national income, to 1 percent of the people. We found the unsatisfied wants—needs—according to any good social standard—of the 92 percent of all families who are now below the level of $5,000 annual income sufficient to absorb the product of all our unused capacity under present conditions of productivity and still demand much more from such unexplored potentialities as might thereafter be opened up. We found the incomes of the rich going in large proportion to savings and these savings strongly augmented by others impounded at the source by corporations through the practice of accumulating corporate surplus. These savings, after providing for such increase of capital goods as could be profitably employed, we found spilling over into less fruitful or positively harmful uses, ranging from foreign loans (bad, as well as good) to the artificial bidding up of prices of domestic properties, notably corporate securities.

"Thus, we begin to discern the answer to our question whether the basic defect in our economic system, not discovered in the technical processes of production, is to be found in the way we conduct the distribution of income. The answer is affirmative; this is the place at which we do find basic maladjustment."

Private ownership of land including forests and mineral resources and the granting of private franchises for the performance of services essentially monopolistic in character have been the source of most of the great fortunes in the United States. Patents and other restrictive measures have added to monopoly control. These actions on the part of society are based on a certain philosophy of enterprise. This philosophy is based upon the assumption that the passing of these privileges of ownership and control into private hands will lead to the greatest good to he greatest number. Evidence indicates that this is not wholly true. But society, through democratic action, can modify this policy when other and better policies are worked out. Many modifications have already been made as circumstances have developed which demanded change. Other changes are imminent.

Control by labor, as contrasted to control by an owning group, leads to class action also. And this is not always in harmony with the general welfare. The American labor movement has been based, quite largely, upon the philosophy of high money wages, rather than upon a philosophy of high real wages. The general well-being—including, of course, the well-being of labor as a major portion of society—depends upon an expansion of production and of services and a lowering of prices. This does not mean that labor should not have a greater share of the output than they now have. Advancing labor's share of the wealth produced, if wisely managed, will promote rather than retard enterprise and will lead to an adjustment of prices to basic purchasing power.

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[1] Income and Economic Progress, pp. 156–157.

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This type of enterprise is important for three basic reasons. Public ownership and operation of essential services and of basic resources serves to distribute income. The Central Valley project in California supplies an example. If the power from Shasta Dam is distributed through private channels and the private companies secure the same rate of profit per kilowatt-hour that they now secure, the stockholders of the private utility interests will receive over $200,000,000 over a period of 40 years with interest at 3 percent on the full amount, or approximately the total cost of the entire Central Valley project. If, on the other hand, this power is distributed through publicly owned and operated lines, the profit will flow into the hands of several hundred thousand consumers in lower rates.

In one case this large sum is channeled through higher rates from the hands of a large number of consumers into the hands of a relatively small number of stockholders. This accentuates the concentration of income, which, as already pointed out, is the most serious internal economic problem in the United States. In the other case the profits are passed on to the consumers, which increases directly their purchasing power. The basic profit motive is not abrogated. The only difference is that a consumer profit motive is substituted for a producer profit motive.

The concentration of land in large holdings in the area to be served by the Central Valley project also results in an uneconomic concentration of income. The growth of these holdings accentuates the existing lack of economic balance. The figures supplied to your committee by Dean Hutchinson, of the College of Agriculture of the University of California, shows that the capital and management income from a family sized farm large enough to provide a net income of $1,500 per year, runs from 1.4 to 3.7 times as much as the operator's labor income. Where farms are consolidated this capital and management income goes to one man or to a small group of men who are the owners, while those who were displaced in the process are either forced out of the agricultural field entirely or are reduced to laborers with relatively small incomes, and no security. When they become too old to work they will not have a farm to rely upon as a source of income, but will be forced to live on their children's income or on the public. The income to ownership which would be theirs in the case of an owner-operated farm is concentrated in the hands of the owners of the large farms, leaving the dispossessed without the old-age security which the family farm is supposed to offer. This provision for old-age security is the primary virtue of the family farm pattern. It is absent in the large farm, at least for the larger number who do the work.

Some sort of social security will have to be developed if the large, privately owned, and corporate types of farm operation are to remain. Legislation is needed covering old-age pensions, good housing, adequate wages, and collective bargaining between farm operators and labor. Such legislation would be the result of a broad cooperation action through social control. These needs are covered quite fully in the La Follette committee reports.

A fact of importance, affecting provision for the low-income group, is that this concentration of capital and management income in the hands of large operators is materially lessening the number of families that can be carried by the land and is adding to the permanent relief load. The situation in Tulare County cited in my statement to your committee on the Central Valley project is an illustration in point. It is the fourth largest county in the United States, from the standpoint of the value of agricultural products. It contains the largest peach orchard in the world and one of the largest vineyards. It has more tractors than any other county in the United States, which provides a rough measure of its industrialization, and during a part of the year more than one-third of all of the people in the county are receiving aid of some form from county, State, or Federal relief agencies.

Public ownership and control of land and social control of size of holdings through a distribution of holdings by forced subdivision, as in the case of the Columbia Basin project, are remedies which are being tried. These are discussed more fully in my statement on the Central Valley project.

The remedial measures being tried are designed not only to distribute income to prevent stagnation in the investment field but to increase the general purchasing power. The effect is well illustrated in power, where lower rates under public ownership tend to increase consumption. A rate of 3.39 cents per kilowatt-hour charged by the Pacific Gas & Electric Co., for example, has been a factor in the consumption of 829 kilowatt-hours of energy per consuming unit. In Modesto a rate of 2.80 cents per kilowatt-hour has been a factor in a per-customer consumption of 1,206 kilowatt-hours. In Winnipeg the rate is 0.825 cent per kilowatt-hour and the consumption 4,838 kilowatt-hours.

A third, and by no means the least, effect of public ownership as a consumer cooperative activity is expansion of enterprise. This is closely associated with the increase in consumers purchasing power just mentioned. A lowering of power rates, for example, not only affects the amount of power used by retail consumers, but it affects industry as well. Where power is an important cost of production, the effect upon private profit and volume of consumption may be very great.

The effect of public ownership and operation upon wealth creation and unemployment is well illustrated by the record of the Forest Service. Under its administration the Government secured, by withdrawal from entry and by purchase, a total of 160,000,000 acres of land, consisting largely of second-rate timberland, cut-over areas, brush-covered hills, and overgrazed range. The better stands of timber and the most promising cut-over lands are still in private ownership.

Of the 108,145,000 acres of commercial timber in national forests needing fire and other protection, only 2,000,000 are unprotected, while of 404,000,000 acres of private lands needing protection, 189,388,000 acres are unprotected. Of the 41,400,000 acres of forest lands burned over annually, 40,600,000 are in private hands. About one-fourth of the national forests are under intensive management plans, while but six-tenths of 1 percent of private forest lands are under such management.

This conservation and development work costs approximately 38 cents per acre of Government-owned forest land. Private holders, owning by far the best timber, spend but 1.4 cents per acre in conservation and development. The Government, in other words, spends 27 times as much per acre in fire protection and other conservation and development work than private owners spend. The effect upon employment is clear. The Government spends all of the income from grazing fees and from sale of timber for salaries, wages, and materials. If the private forest lands on the Pacific coast were publicly owned, all of the migrants who have come to the coast during the past 5 years could be constructively employed for some time, and quite a large number could be permanently employed in doing work which is very much in the public interest. Three hundred thousand Civilian Conservation Corps boys, working out of 1,500 camps in United States forests and parks, have cleaned up and fireproofed 5,000,000 acres of land; planted nearly 2,000,000,000 trees, built 109,000 miles of trails and roads and 46,000 bridges. This work could be expanded four- or five-fold if all of the timberlands were in public hands.

This type of activity, public ownership of power or of forests, let me repeat, are important types of consumer cooperation. The consumers of the Nation, under the leadership of Gifford Pinchot and Theodore Roosevelt, became conservation-conscious and initiated this plan of recapturing forest lands into public ownership as a means of protecting a rich heritage. As a secondary but very important result of that philosophy, many people are now constructively employed who would not be employed otherwise.

More recently the consumers of the Nation have become concerned over the wastage of soil resources. An average of approximately $22,000,000 are being spent each year for technicians, clerical help, and materials in the Soil Conservation Service. About 15,000 people are employed directly, and a much larger number indirectly, through conservancy districts and by individuals cooperating.

This money is secured, very largely, from nonfarm people through taxation and the sale of Government bonds.

The present program enhances private-land values, in part at least, from direct Government spending. The submarginal land purchase program represents a different approach. In that case no money is spent until the lands are acquired so that all increments in value go to the public, as partial or total compensation for the work done. Over 10,000,000 acres of submarginal lands have been purchased under this program since 1933.

A further example of the effect of a philosophy of social action upon economic and social conditions is presented by the Homestead Act. This act was based upon the theory that society would be best served by passing land into the hands of those who would till it themselves. But the plan has not worked well. There is a lower percentage of land ownership among farmers now than there was in 1862 when the act was passed. This is particularly true, moreover in these States where the Homestead Act resulted in the transfer of the largest acreage into private hands.

The owner-operated farm pattern, about which popular support rallied, is a reality in part only. More than half of the farm land in the United States is farmed by tenants, and tenancy is increasing. Furthermore, where it is a reality, it is not accomplishing the results expected. Owner-operated farms are concentrated in the Ozarks, the Southern Appalachians, and in New England where topography prevents an adjustment in patterns of tenure to the use of machines. The broad fields of rich soil and favorable topography everywhere is going into large holdings where machinery can be used to advantage. The semifeudal pattern of land use, described in my statement to your committee covering areas to be served by the Central Valley project in California, is an example of the social pattern which is developing in all sections where large scale and corporate operation are replacing the family farm.

Recent legislation and administrative action dealing with tenure problems have led in two directions. The Tenant Purchase Act is an attempt to reestablish the owner-operation pattern. It, like the Homestead Act, is based on the philosophy of private ownership of land. It aims to put land into the hands of those who will till it themselves.

Another direction was taken in the resettlement program. There the fact was recognized that experience indicates a basic weakness in the accepted pattern. A new approach based on public ownership of land was, therefore, tried out. The Mineral King ranch, described in my statement to you on the Central Valley project, is an illustration of one pattern under public ownership of land. Other projects were established where individual farms of the traditional type were located on land owned by the Government.

Both the individual and the community type of farms on Government land meet the weaknesses in private ownership which have led to tenancy and the creation of a landlord class. Land speculation has been a major factor in the failure of private ownership. Debt and the high capitalization associated with large-scale operation have been factors of great importance recently. Inheritance has resulted in heavy mortgage indebtedness and in unwise subdivision. Small holdings, tenancy, mortgage debt, and soil erosion have resulted in all too many cases.

The record is not an indictment against landlords as persons. But because of the circumstances governing their interests they have made tenancy the unsocial influence that it is. It is the landlords who force tenants to cultivate all of the land "right up to the back door" without leaving room for garden, pasture, or wood lot. It is they who prepare short-term leases; who refuse to allow compensation for improvements; who make it difficult for a tenant to plan a rotation of crops, fertilize his fields, or have livestock. It is they who provide bad housing, which forms the basis for low living standards. In altogether too many cases they are fighting controls, chiseling on benefit payments, and seeking greater subsidies, but refusing to pass benefits on to the labor they hire. Refusing to bargain collectively, they have on occasion resorted to vigilante methods and have secured the passage of laws which support their positions as against labor. The antilabor laws passed in 11 counties in California are examples of this type of action.

There is a tendency on the part of all landowners to accept the income to ownership as a right rather than a social sanction and to pass on to government more and more of the responsibilities of administration. Both owners and tenants look to government, Federal and State, for aid in ever-widening fields. It is government that established and supports agricultural colleges for the training of young men. It is government that runs the experiment stations where science is applied to agricultural techniques. It is government that maintains the extension service with agricultural agents in every county in the Nation. The tenant and the landlord enjoy an elaborate marketing service covering current news by press and radio, and covering prices and commodity movements. The farmer and the landlord use roads built by the Government, receive valuable bulletins supplied free of charge by the Government, and get bailed out by government when bankruptcy looms ahead. It is the Government that provides weather forecasts, directs control of insect pests and plant diseases, controls floods, drains land, aids in erosion control, develops large irrigation works, builds levees, helps finance railroads and control their traffic. It is government that assists farmers in control of supply when surpluses pile up, and aids him when drought strikes.

These contrasting trends in private and public activity are but illustrations of the sound and fundamental character of consumer cooperation working through economic as well as political democracy.

The circumstances facing agriculture now call for a change in these relationships. The adoption of a policy calling for an increase in public ownership of farm land would be an important step toward conservation, increased employment, and sound land tenure. The advantages in such a policy are great enough to justify serious consideration to the possibilities of further experimentation along those lines. The policy might be initiated in the Columbia Basin and Central Valley projects. They would make excellent laboratories for the comprehensive trials of new ways of adjusting farm tenure and land use to the revolutionary conditions created by machine production. Such purchase has been recommended for all undeveloped land in both projects and the idea is receiving surprisingly wide support. It, undoubtedly, offers the most direct method of meeting the perplexing land problem presented by these projects. It would add but 3 percent or so to the cost of the Central Valley project and not much more than that in the case of the Columbia Basin.

Income would flow to local county governments through payments in lieu of taxation. This problem has been worked out by the Forest Service and by the Farm Security Administration. Government ownership of land conserves rather than restricts local income.

The tax-delinquent lands in the Dust Bowl offer an exceptional opportunity for public acquisition. Evidence presented to your committee by E. R. Hanson, coordinator for the United States Department of Agriculture, at Amarillo shows a total of 485,000 acres of land in Baca County, Colo., acquired by the county through tax sales between 1934 and 1937, inclusive. Figures for Lincoln County show a similar trend. In Los Arrinos County, Colo., over 600,000 acres have been delinquent for over 3 years. This situation is not confined to the Dust Bowl. It exists in many irrigation districts in the West where fairly good land can be acquired for back taxes.

The situation now, so far as land is concerned, is far different than it was when the country was first settled. At that time 80 percent of the people were on farms, and farm ownership by individuals was a stabilizing influence of importance. But science has changed all that. Now 80 percent of the population, or thereabouts, is in urban centers. They are nonfarm people, but they depend nonetheless upon the productivity of the land. Ownership of the Nation's farm land resources by 20 percent of the population, even if owner-operation of family sized farms could be made a reality, would be less significant now than formerly. Public ownership of land, and rigid social legislation covering old-age pensions, wages and hours, housing, and collective bargaining are the two alternatives which offer the best chance for a use of the Nation's land resources in the interests of the greatest number.

The use of water as contrasted to land has naturally drifted into a consumer-cooperative pattern. The irrigation district and mutual water users association are consumer cooperative organizations which have proved to be very effective, and are the type usually used. Farmers have followed their urban neighbors in this respect. As consumers of irrigation, water farmers have found it to their advantage to cooperate in the construction and operation of dams and canals to get water to their lands, just as urban people have organized under municipal laws to provide streets, water facilities, and the like. The profit motive is there. But it is a consumer profit.

Rural school districts form another example of consumer cooperation, following the urban pattern.

Still another similarity exists between urban centers and rural villages. The settlers on the Mineral King ranch, for example, being consumers of services as are the citizens of any town, joined in a cooperative organization which supplies running water, light and gas for heating and cooking. This has proved to be a particularly effective type of cooperative effort. The savings in wells, roads, and power lines in many projects will more than pay for a complete plumbing system in each home, including flush toilet, bath, sink, lavatory, wash trays, and septic tank. On the Columbia Basin project the saving in these three items would range from $15,000,000 to $25,000,000 if the homes were located in villages rather than on isolated farms. The gas service at Mineral King would be too expensive for installation on isolated units, but, as it is, it furnishes a cheaper fuel than any other fuel available in the State.

These economies are similar to the ones secured by large operators when they settle their workers in villages, as they always do. These savings on large farms, however, are not translated into running water, baths, flush toilets, and other conveniences. They simply add to the net returns by cutting down the capital cost of providing for the laborer's essential needs.

Settling families in communities facilitates other forms of cooperation. The cooperative production of milk, for example, fits in perfectly with such a set-up. The families at Mineral King get milk at 5 cents a quart and the supply is abundant. The surplus is sold as fresh milk, as the conditions on the ranch conform to all county requirements. The dairy is large enough to permit the installation of an efficient working plant, so that the milk can be well cared for.

In Wellington, the capital city of New Zealand, milk is distributed as a publicly owned and operated utility service. The milk is sold for 8 cents a quart, on the basis of equivalent American money, and the city makes a normal profit. It has brought about economies in the cost of treating and distributing milk which has made possible the reduction in the consumer price. The system has been operating for 20 years. There seems to be no reason why any city might not do the same. The only difference between this system serving a population of 135,000 people is that at Mineral King the settlers not only process and distribute the milk, but they own and operate the dairy as well. Milk is produced and sold in the labor camps in much the same way that it is produced and sold at Mineral King.

The advantages in the cooperative plan for handling milk is an important matter in the area to be served by the Central Valley project because individual farmers prefer to produce fruit, cotton, or truck, which are not so confining, but which do not offer the opportunity for expansion. The objection to dairying is removed by the cooperative plan. The milkers have their regular days off and their annual leave, just as others do.

Dairying is the most promising farming enterprise in the area and will be stimulated by a community type approach. There is nothing that would stimulate consumption of milk in the areas to be served by the Central Valley project more than the low price which would result from municipal distribution. The increased consumption would materially increase the need for farm land for the production of dairy products, which would, of course, provide increased opportunities for dispossessed farmers seeking new opportunities.

Cooperative marketing has been more highly developed in California and in the United States generally than any other type. The advantages are obvious. Duplication is reduced or eliminated, and services are secured at lower cost. These cooperatives are called producer organizations because they are composed of producers, but the cooperative activity is wholly on a consumer basis. The growers cooperate in buying paper wrapping, box stock, advertising services, transportation, marketing, and storage service. They hire labor for services in packing and often in picking. These are all goods and services which the growers consume as a byproduct in the process of selling their products. As producers they are highly individualistic and highly competitive. Marketing associations are found in every State of the Union. Farmers in the United States have been building their own marketing machinery for 70 years or more. Over 2,000 farmers' marketing and buying associations have been in operation for more than 25 years. Sales of farm products and supplies now exceed $2,000,000,000 per year, with 295 associations reporting annual sales of more than $1,000,000 each, and 34 associations reporting sales in excess of $10,000,000. More than 3.000,000 farmers participate in cooperative activities in the United States.

Processing co-ops are also organized on the consumer basis. Growers hire labor and rent or own canning plants for the processing of their fruits or vegetables. Again the returns are divided on the basis of what each man as an individual produces, which is his affair. Each brings in a supply of peaches, for example, and each gets paid on the basis of the volume and quality which he delivers to the cannery, which is a highly individualistic matter. The cooperative activity is wholly concerned in buying equipment and service which the growers can secure more cheaply as a unit than they can as individuals. Farmers operate cotton gins, cheese factories, and fruit and vegetable packing plants. Nearly half of all creamery butter produced in this country is made in cooperative plants.

Buying is an important activity in both marketing and processing cooperatives. This portion of the cooperative activity corresponds with the consumer buying cooperative which deals with gasoline and with the ordinary consumer's goods handled by retail stores. Farmers buy $80,000,000 worth of oil and gas through their own cooperatives each year.

The laboring class, along with some of the lower middle class, have formed the backbone of the consumer cooperative movement in England, Scotland, Sweden, Switzerland, France, and Belgium. In Denmark the consumer cooperative movement is identified with the small farmer. Consumer cooperatives in Europe have paid higher than going wages, they have recognized the unions and set up collective bargaining machinery with the closed shop. And, in return, the unions have, in general, refused to force wages so high or hours so short as to force the cooperatives out of business.

The record is not so good in the United States. American labor for many years held the philosophy of high wages. At present, however, a change is taking place. The number of successful consumers' cooperatives have convinced labor leaders that consumer cooperation will work here as it has in Europe and labor is beginning to realize that to get a high real wage, it needs a volume of business and low prices as well as a greater share in the total purchasing power. Consumer cooperation in the United States has apparently demonstrated that it can put goods through co-op stores more cheaply than can private enterprise. Various factors have contributed to this end—among them being lower rents, fewer lines of goods with heavy turn-over, low capital cost, and low advertising costs.

The competition of chain stores has affected the rate of growth of consumer cooperatives in the United States. The price range offered by chain stores is low—often as low as the cooperative prices. The basic fault here is not primarily in the price or service field. The danger in the chain-store movement is in the concentration of income, which, as already explained, presents the most serious internal economic problem in the United States. It is important from the standpoint of economic balance to have the numerous small profits go to a large number of consumers in lower prices and to labor in higher wages than to a very few private enterprises, for in the aggregate these small profits represent millions of dollars.

Small cooperative organizations among farmers are increasing. This movement is an expansion of the old threshing rings where 5 to 10 farmers joined in working and owning a threshing machine. These small co-ops now own tractors and tractor equipment for operating land as well as for harvests. This enables them to get good equipment. It helps the small farmer to compete with the large operator.

In 1939 the Farm Security Administration helped more than 200,000 farmers in the organization of small service cooperatives, in every State in the Union. Nearly 1,500 farm groups were aided in buying bulls, stallions, boars, jacks, and rams, which means better livestock and larger incomes. In Box Elder County, Utah, more than 200 small co-ops are now in operation. They are engaged in a wide range of activities and include approximately 900 farm families.

Health protection has been stressed more recently as an effective field for cooperative work. In 1939 the Farm Security Administration, which has taken the lead in this work, helped more than 150,000 farm families to form health associations. These groups usually include from 150 to 300 families in a single county. Each family pays in advance a fee ranging from $15 to $30 per year. If anybody in the family gets sick, they go to the doctor of their own choice and get whatever treatment and medicine they need. The doctor turns the bill into the association for payment. The movement received its first big impetus in California where the poor health conditions among migrants necessitate action. The county health authorities were unable to handle the problem.

The cooperatives so far discussed have all been of the consumer type. They might be divided into three types. The first represents the larger interests of the public whose interests as consumers concern the natural resources of the Nation, their conservation and proper use. The second includes consumers' cooperatives, starting with municipal ownership, or public ownership of utilities on a wider base than the city, and ending with retail store ownership by consumers. The third type of consumer cooperatives are those made up of producers who as producers are consumers of goods and services. In each of these the motive is to get more for less. But in addition there is a vital effect upon basic economic balance due to the fact that consumer cooperation effectively distributes income.

Producers' cooperatives are of a different nature. They include industries owned and operated by those who themselves do the actual work, in contrast to consumer cooperatives who hire work done or who buy collectively in order to save cost. Producer cooperatives include self-help cooperatives, and any enterprise where labor joins together to produce goods on services that are for sale.

Producer cooperation has one primary advantage. It permits individual producers to join together on a basis which permits the employment of management skill and permits, also, the economies inherent in specialization, division of labor and association in production. These are the advantages enjoyed by private industry. Applying them in a cooperative venture channels the economies into the hands of those who do the work rather than into the hands of stockholders who may have no other connection with industry than that of ownership.

The much-talked-of cotton picker can be used as an illustration. If the cotton picker is owned by stockholders or individuals who own or operate a large plantation it will result in a very large increase in the number of dispossessed farm families, for the cotton picker will do their work and the employers will not need them. If, on the other hand, the cotton picker is owned by those who till the fields and pick the cotton it will result in increased attendance at school, better homes, and larger incomes for those who work. Women and children pick much of the cotton in the United States. Ownership of the cotton picker by the farmers who do the work in the fields would release the women and children from the necessity of working in the fields. But the leisure thus created will be very different from the leisure of unemployment. The women will be able to remain at home where they are very badly needed and the children will be free to go to school, while the men do the work in the field. The income to ownership will flow into their hands to augment their meager wage income.

There are two problems which are involved in producer cooperation. One concerns class interest. Any group of producers, whether private producers or cooperatives, who control production tend to promote their interests at the sacrifice of the welfare of consumers. An industry owned and managed by labor is apt to want to raise prices, even by securing monopoly advantages if they can, just as private enterprises do. That is why essential services such as water distribution, or highways, are publicly owned.

The second disadvantage in producer cooperation is that there is no wholly satisfactory way of dividing the produce. The fishermen of Norway did it by each doing his part in handling nets and boats and then following the principle of share and share alike. The Amana colony in Iowa, a producer cooperative which lasted longer than any other in the United States, changed its basic organization to that of a consumer co-op because the principle of contributing according to your ability and consuming according to your need developed a surprising number of drones.

In a consumer co-op this difficulty is avoided, as a man gets what he pays for only. His share of the consumer profit depends upon the volume he buys and that is wholly his affair. If, for example, he has 1,000 tons of peaches to be sold or canned through a marketing or processing cooperative, he gets 10 times as much consumer profit as a farmer who has but 100 tons of peaches to be sold or processed.

On the Mineral King ranch which is a mixture of consumer and producer interests, the division in the production activities is made through the payment of wages. Each member works for the corporation, of which he is a member. What each gets out of it depends upon the time employed and the character of the work performed. Profits above wages and capital costs are distributed in wage bonuses after setting aside a reserve for contingencies. This method may work well. It may solve the biggest obstacle to producer cooperation.

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TESTIMONY OF WALTER E. PACKARD—Resumed

Mr. Curtis. Will you give us briefly the high lights of those two statements which you have prepared, for the benefit of the committee?

CENTRAL VALLEY PROJECT

Mr. Packard. The first statement covers an investigation that I have made covering the Central Valley project in California. I made this for the Haynes Foundation of Los Angeles. This project is of interest to your committee because of two facts.

In the first place, the counties that are to be served, or the areas that are to be served by this project, have shown a very large increase in population during the past 10 years. The rate of increase has been from 25 to 61 percent, as against an average for the United States of about 7 percent during the same period.

The second point is that the project will serve about 280,000 acres of land not yet developed under irrigation. That means that there will be that much irrigated land available for settlement during the next few years, when water is made available.

I might say, however, in that connection, that during the past 10 years there has been a very appreciable increase in irrigation in this area in spite of the fact that those who have developed these lands have know that it would be impossible to continue irrigation from pumping very long without depleting the supply. They apparently have developed land during these past 10 years with full confidence that the Government would supply an outside source of water to replenish the ground water supplies from which they are drawing their irrigation water now.

Those two points, however, are the reasons why this particular problem is presented to your committee.

The situation in the areas to be served by the project is, in my estimation, in general, rather unsocial and uneconomic. On one hand, you have large farms that are in many respects similar to the old feudal estates of former days; and, on the other hand, you have very small farms that are too small to enable a man to make a living.

You have, of course, another group, intermediate farms, that are all right. But the great, the outstanding fact, in the area is that there are large farms on this feudal pattern and small farms on the other side. The feudal problem, or the large-scale operation, is what I want to mention first, because it is the most important.

In the areas that I investigated from 50 to 73 percent of all of the land—50 percent if I just include the upper San Joaquin area, and 73 percent if I include the delta area also—is in large farms, or farms of more than 160 acres, which is the limit the Bureau of Reclamation has set. Their law says that no water shall be furnished in any irrigation project to a holding in excess of 160 acres, and in this area a very large portion of the project, something more than half, is now in holdings that are larger than that limit.

Mr. Curtis. Is that area already receiving water?

Mr. Packard. A portion of it is, not all of it.

Mr. Curtis. When that is supplied with surface water, that then will be corrected.

Mr. Packard. Part of it is supplied with surface water and part of it by pumping. All of the gravity water that is available is being used in canals for surface distribution. But there are large areas that are receiving water from pumps, where they are pumping from an underground reservoir.

Mr. Curtis. But eventually, when they get water under a reclamation management, will this 160-acre law be applicable?

Mr. Packard. It will be applicable unless the law is changed. It is a basic part of the Reclamation Act.

I might say in that respect—I will come to that later, if I may follow through with this; I will discuss that particular part a little later.

There is one point I wanted to make regarding large farms, which I think is quite important, and that is that they do not provide security for those working on the land as the old feudal system did. I lived in Mexico for a number of years. There a peon is born on the farm, he lives there, and he dies there. He has security. He knows where he is going to live. On the newer type of development, we find that these people are educated first by the State, and when they become able to work, they are employed when there is work. When there is not work they are not employed, and frequently are supported on relief of one kind or another. And when they become old and are not able to work, they then are supported on public relief. They are not supported by the land. That, I think, is a very fundamental problem.

In broad outline, the situation can be pictured perhaps by these facts that apply to one of the counties that is to be served by water from the project. It is, I think, the fourth largest county, agriculturally speaking, in the United States. It has the largest peach orchard in the world. It has one of the largest vineyards. It has more tractors than any other county in the United States. It is strictly an agricultural county. During a portion of the year, more than one-third of the entire population, rural and urban, in that county, is on relief. I think that, in general, pictures the type of thing that flows out of the concentration of ownership of land in the hands of people who employ the industrial process in agriculture.

There are various ways in which the conditions that exist in the area do not conform to basic reclamation law. I have mentioned one of them, the 160-acre unit.

On page 25 of the report (table III, page 3277, this volume), you will see a table that gives the acreages. In the first district, 95.3 percent of the land in the district that has been organized to take water from the Central Valley project is in excess of the limit that is set by the Bureau law. The next one, 42.4 percent of the area is in excess.

In one case, in the delta, of all the farms that I could find, covering nearly 300,000 acres, not one, in that whole area that I studied, was less than 160 acres.

The second requirement in reclamation law deals with corporate farming. The law says, in substance, that no water will be furnished by the Bureau of Reclamation to land owned by corporations.

Again, on page 30 (table IV, page 3279, this volume), you will find a tabulation of the land that is now farmed by corporations. In one district, 98.4 percent of the land is owned by corporations. I think that in that district of 58,000 acres, 53,000 are owned by two corporations. The ownership in one was only 8.5 percent. In the others, it ranged from 42 percent, to 26.7 percent, 17.9 percent, and 30.1 percent of the area that was farmed by corporations.

Then, again, the Bureau of Reclamation law and administrative rulings provide that people must be resident operators. It was the intention of the Congress, and the Bureau, I understand, when the Reclamation Act was passed, to have the farms in the hands of those who tilled them.

But on page 38 (table VI, page 3284, this volume), you will find another tabulation of the land that is held now by nonresident owners in the areas, and that goes as high as something over 60 percent in one area.

The tenant operation, of course, is a supplement to that, and in one of the districts, 77.1 percent of all the land is farmed by tenants. Tenancy is higher in most of the districts to be served by the project than in the State as a whole.

So, you can see that in general it requires some modification of the reclamation law or it requires a modification of the patterns that are existing in the area now, before this matter can be worked out.

Another point that I think is also of very great importance is the fact that the act that established the project was very clear in stating that the project should be operated in the interest of the people of California.

I think I am right in saying that the constitutional authority which the Government has for developing water for private lands only—where there is no public land involved, and there is none in this area—depends almost wholly upon the general-welfare clause of the Constitution. Therefore, it seems to me it is exceedingly important that that matter be studied in order to be certain that what is done regarding these situations that do exist now—and they do not conform to reclamation law—is done in such a way that the general welfare will be promoted. That is a policy, I think, that should run throughout, because not only did the act say so, but I think that is the constitutional authority which the Government used.

There are certain advantages to large-scale operations which are very apparent. In the first place, they cut costs of operation. They do that in many ways, but chiefly perhaps by applying the principles of management, division of labor, specialization which goes with division of labor, and association in production which enables operators to put crews in and do work quickly. Those are the principles upon which industry is established and they are the principles that are being used in the development of these large farms.

The matter of cost also, of course, involves other matters, but I will come to that a little later. There is another point about all of these large farms which I think you will find very interesting. They are all organized on a village basis. Every large farm that I know of in the State settles the laborers' families in villages. The village may not contain more than 5 families. It may contain 200 or 250 families. But they are always located in villages.

That represents one economy. One well will support 10 families. It will support 1 family. It will support 100 families. It will give them all the water they need and provide a large operator with an advantage in investment in the very beginning because by putting 1 well down he can supply many people with water, while, if they are scattered out, each man has to put down his own well, with much greater cost.

As to the disadvantages of large-scale operation, in the first place, the large owners of land are the ones who own most of the land that is yet undeveloped. I know of one area of many thousands of acres owned by one company that is now selling undeveloped land from $150 to $175 an acre without water. That means that that company will get all of the increment in value, all of the possible increment in value, in this project before the Government gets a dime, before the Government even develops its water supply, because that supply has not yet been developed. And if they are able to continue selling this land, they will come out with all of the increment and the Government will have to deal with buyers who have already paid high prices and charge against them a high cost for water. So that this speculative matter is exceedingly important. It involves the general welfare very definitely, because I think it can be shown quite definitely that it is not in the interest of the general welfare that absentee owners of land, or large owners of undeveloped land should take all the increment in value that is being created by the development of a water supply at Government expense.

In the second place, many of the cuts in cost, due to large operation, come from labor itself, which I think is quite an important matter. It is involved in another problem which is also important and is closely related to it, and that is the concentration of income.

If you will refer to page 35 (table V, page 3282, this volume), I have a table there that was presented to your committee in San Francisco by Dean Hutchison, of the University of California. By this table I think I can explain what I mean by both concentration of income and this question about cutting costs due to labor.

In columns 6 and 7 of that table you will find figures showing the capital and management income per acre, and the value of the operator's labor. In the first instance, you have walnuts. The income to the management and ownership is $53.11 per acre. The income to labor—and this is a case where the owner is doing all the labor he can possibly do on that farm—comes to $14. Now, obviously, if you should concentrate 10 farms of this size, which is a size that will make $1,500 net income to the operator, you will immediately throw by far the largest portion of that farm income into the hands of 1 man, and 9 farmers would be receiving only $14 per acre, or a low labor income. It is an exceedingly important thing.

Now, run down the line to cotton. Cotton is the most important crop, from the standpoint of acreage, in this area. Here $9.30 goes to labor; $14.07 goes to ownership. Farms of 5,000 to 10,000 acres are common in that area. I know of one farm of 21,000 acres of land that has been developed in the last few years, operated by 1 man, largely in cotton. If you have a farm of that kind—20,000 acres—there are 200 farmers who might be operating 100-acre farms that are displaced, and you have a tremendous concentration of income in the hands of 1 man, and it is taken out of the hands of a large number of operators who might be getting that amount if they were farming independent holdings.

That is important in this way: The ownership of land and the income from that ownership is the prime virtue of the family-sized farm, because when the man gets old and is ready to retire, the income from ownership is supposed to support him and his wife during old age. Now, if you take that out from under him and concentrate it in the hands of a large operator, you are taking out from under him all of the social security that the traditional type of farming in America has provided, and it makes it necessary for the community, as they are doing out in Tulare County—as I mentioned a moment ago—to support those people out of old-age taxation. I will come to the application of that, but you can see that is a tremendously important thing.

First, you have the concentration of income, which, itself, is a serious matter. I think the Brookings Institution over here has made studies to show it is the most serious internal economic problem in America today—the concentration of income in the hands of a few people. Now, you have that on the one side. On the other side, you are taking away the security from old age; you have people who might be independent owners of farms that would largely support them not only in rather good income during their life, but support them during old age. Again, where you take away income from a large number of families, you are, to that extent, destroying the market for goods in America, and the market is a thing we must depend on. We must depend on our own market now more than ever before and where, as in cotton, you take $14 away from the owner-operator and put it into the hands of large-holding owners, you are reducing him to a labor wage and taking away from him the portion of that money he might supply to the market in buying the things he might need. I think it is an important thing from the standpoint of the development of markets.

The last point in this covers housing. One of the economies that these large operators make is by providing low-cost housing. And when I say "low-cost housing," I mean it; because, in many cases, it is exceedingly low. I have a number of pictures here that I would like to present at this time, with your permission, showing not only the type of housing, but showing, also, the type of settlement that we are getting in these communities.

The first picture I am presenting shows two farms in the area to be served by this project.

The CHAIRMAN. Just wait a minute: I suggest that the reporter mark them and attach them together as one exhibit, so that we will have the use of them.

Mr. PACKARD. Yes.

The CHAIRMAN. I think that it probably would be very much better, to have them become a part of the record. Of course, if you just talk about a picture it means nothing; but we will understand what you refer to if you mark them.

(The pictures above referred to were received in evidence).[1]

Mr. PACKARD. The picture I am presenting first shows views of two farms in the area to be served by the Central Valley project, which represents, I think, the ideal type we have in mind when we speak of the family owned and operated farm. It is the type of standard we have in mind. (See photos 1 and 2.)

I have here several other pictures showing not only the type of housing, but showing also the community type of settlement that is created on those large farms. Here is one where in the lower picture [exhibiting], you have the headquarters; a store, a bar, an office, and the home of the operator of a large operation. (See photos 3 and 4.) In the upper picture you have the houses, perhaps 25 of them, that are grouped around this central office, and you can, of course, see the low standard of housing on that particular ranch.

Here is another picture of a large beet plantation in one of the counties, operated by a hired manager living in a boxcar. (See photo 6.) The upper picture shows the houses occupied by the laborers in that area. (See photo 5.)

I do not need to go ahead and describe the others; I think they are all self-explanatory.

I am also presenting one picture of the type of community settlement that is created in the outskirts of these villages and towns in the area. They are generally called Little Oklahomas. It shows the type of housing developed in these small settlements. (See photo 7.)

The next two pictures are of the homes of owners of large plantations, showing the tremendous contrast that there is in the living standards of the large owner, and the living standards of the large number of people who are operating the land. That is also self-explanatory. (See photos 8 and 9.)

Now, as to the remedies that have been suggested. The Bureau of Reclamation, of course, have certain traditional remedies that have been applied. Almost the most recent is the one that is applied in the Columbia Basin project. There the Government has limited the holdings to 40 acres to an individual. A man and his wife can hold 80 acres; but the man now who owns more than that must sell all the surplus to the Government, or to any buyer, at a price not to exceed the price that is set by the Government, and the Government has appraised the land at its dry-land value. That act was not only approved by the Bureau of Reclamation and passed as an act of Congress, but was supported by a law passed in the State of Washington, which also provides that that will hold true.

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[1] See insert of pictures, p. 3288 et seq.

A more recent project in New Mexico follows the same plan, where the area that the man can handle is limited, and anyone holding more than that area must sell the surplus at a price that is set by the Government, and the price set is the dry-land price.

There are, however, other precedents I wish to mention. One is a project in Colorado, where all of the restrictions regarding the excess holding of land have been dropped, and a man can hold any amount of land there that he wants to hold.

Mr. CURTIS. May I ask where that is?

Mr. PACKARD. It is the Big Thompson project in Colorado.

Mr. CURTIS. That was built by the P. W. A., was it not?

Mr. PACKARD. I do not know whether it was built by Public Works Administration or not. I am under the impression it is an older project, where the water being developed now is purely a supplemental supply that will furnish land already under irrigation and already in private ownership and already developed; so that the effect is quite different than it would be in other areas. However, two other projects are being affected by a similar act. They are both in the State of Nevada, and I understand they certainly will act as a precedent for California, if they finally are passed. They have been passed by Congress, as I understand it without a dissenting vote—opening up the destroying of the excess provisions of the Reclamation Act for both projects in the State of Nevada. If that is used as a precedent for California, it will mean that these restrictions that have been applied in the past to all Reclamation Bureau projects, will not apply to these large holdings in California.

Mr. CURTIS. Were there any justifiable and unusual reasons for this action in Nevada?

Mr. PACKARD. I have looked up the record in Congress and there was no debate. There was simply a letter from the Secretary to the Committee on Irrigation and Reclamation, saying that the Bureau of Reclamation know nothing about the merits one way or the other of the proposal and, therefore, could not make recommendations, but that they were studying the problem in a general sort of way and would ultimately know, but did not know then. That was all I could find in the record. And it passed, I think, unanimously but has not been signed by the President as yet.

This Bureau of Reclamation proposal is one cutting the holdings down to family sized farms and forcing owners of excess land to sell at the price set by the Government. That is No. 1. That is in operation now and, unless the act is changed by Congress, I suppose that will apply to the California project.

The second proposal for remedy is a proposed act something like the Tenant Purchase Act, where the Government buys land and subdivides it into small holdings and sells to small operators, as they are doing under the Tenant Act. That, of course, is following the Homestead Act in theory—at least in part.

The next provision is social legislation. I think the situation in agriculture is very different from the situation in industry, because land has certain characteristics that do not hold ordinarily in industries. For example, if you have this ownership income concentrated in the hands of one group and you pass social legislation, you are in reality taking a portion of that income back that the Government, by the Homestead Act, intended to have in the hands of a large number of operators; you are taking that back and using it to support these people in their old age, or using it in supporting other services that the Government is rendering. And if you take that up, the large difference is the differential rent value of that land. You will not injure the owner from the standpoint of the cost of operation; it will simply reduce the cost of the land. And that can be taken without any disadvantage socially, without affecting the costs of production, and it can be used in various social ways. You get the point. Those people have taken these values from a large number of small operators, by buying their farms and consolidating them. Now, the Government can come along, through social legislation, and take back direct the land income of that land, and use it to support those families through social legislation, without affecting the cost of the product that is raised.

Following that, of course, is another proposal; that is, for the Government to buy the land directly; then let the Government own the land permanently, and rent the land in place of simply taking the rental income. That is being done on a number of Farm Security Administration projects.

There is one project in the area that serves as an illustration. I have some pictures here of that project, that I would like to submit for the record.

This picture [exhibiting] is a view of the Mineral King ranch in Tulare County. (See photos 10 and 11.) In establishing this ranch, the Resettlement Administration, now the Farm Security Administration, attempted to apply all of the principles that large operators have applied to their holdings, to this new settlement The farmers are settled in a village in the center of this property That, of course, enables them to have one well and running water which is supplied all from one well There are many economies in that type of thing. It enables them to employ management; it enables them to specialize. They divide their labor—associate in production. In other words, they apply all of the principles that large-scale operators apply, and get the same advantages, with the additional advantage that all of the people working on the land get the advantage of the association in income.

I have also here a picture of another type of village that has been established by the Farm Security Administration in the area, representing labor camps that you are all familiar with. The labor camps not only include places for temporary laborers, but also include small farms, where the laborers live in the area for a year or more and can have a garden and that sort of thing. In most of those large camps, they have land associated with the camp that is operated cooperatively, and it provides milk, for instance, at a cost of five cents a quart in liberal quantities, and the land can also be used in supplying vegetables to those families at a large saving in cost. (See photo 12.)

(The photographs last above referred to were marked as an exhibit and filed with the committee.)

That brings me to a discussion of small farms, and I do not want to take very much time on that. I think that point is perfectly evident.

The university has set a certain standard—for example, $1,500, as the income for a family, to be a satisfactory income, and quite a proportion—it varies in different sections, but quite a large proportion of the farms that are less than 160 acres, or are within the limits set by the Bureau of Reclamation. They are very much smaller than and in many cases, only half as large as the farms that the University of California say are necessary to make a living with an income of $1,500. The problem there, of course, is obvious.

Just one more thing about this Central Valley project, that covers the repayment. That, of course, brings in power and brings in other beneficial interests as well. I have not much time to speak about this, but will simply say this, that in the Shasta Dam a large amount of power will be developed. If that power is retailed through private agencies, it will cost nearly as much as any other power, because the whole income from the project will flow into the hands of the stockholders of the company, while if that power is distributed by publicly owned utilities under municipal ownership and that sort of thing, that very large income (exceeding $200,000,000 in 40 years, plus 3 percent) will flow into the hands of the consumers of the power in northern California. Again, that will involve, I think, the general welfare, because, in the one case, you are channeling the large income through a large number of consumers, who are charged higher rates, into the hands of a comparatively few stockholders; by municipal ownership, you are reversing that process; you are giving the large consumer-profits to the consumers in lower rates. It expands their buying power very appreciably, as can be demonstrated by this chart which I would like to present, Mr. Chairman.[1] It is the Effect of Low Rates on Urban Domestic Consumption, Year 1938. It is confined almost wholly to California, but it shows the very definite increase in the use of power as the rate for power is decreased, and the rate is decreased ordinarily through municipal ownership. But publicly owned systems in California, in general, sell power at a lower rate than privately owned utilities; so it is quite important from the standpoint of repayment and also important from the standpoint of the general welfare, as to whether or not the power in that project is distributed by the public, through publicly owned lines, or by private utilities.

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[1] Chart held in committee files; not printed.

The next paper I have prepared [2] covers the general subject—Can the Low-Income and Destitute Farm Population Improve Their Status Through Cooperation. In order to hurry this thing along, I will read a portion of it.

Mr. CURTIS. Dr. Packard, there was just a question or two in regard to the Central Valley project that I had. Would you prefer that I ask them now, or wait until you finish this other?

Mr. PACKARD. It does not make any difference to me at all.

Mr. CURTIS. When will this project be completed?

Mr. PACKARD. I do not know. I understand Shasta Dam will be completed probably by 1944, although I am not certain about those figures, but I think the project will be completed by 1944 or 1945.

Mr. CURTIS. Can you make an estimate in regard to this question: Assuming that some sort of arrangement is arrived at for the use of the land through small operators, how many people will it assimilate?

Mr. PACKARD. If you consider the undeveloped land only, you could settle perhaps 3,500 families in that area on farms. That would mean perhaps as many on farms and in towns, because I think, in general, you will find it requires about as many people in town as it does in the country, in a balanced rural area. That is only on the new lands not yet developed.

Mr. CURTIS. Now, suppose the Reclamation Bureau's rule is not modified as to already developed land——

Mr. PACKARD. And that land is operated in large holdings?

Mr. CURTIS. No; supposing the existing reclamation law is not modified.

Mr. PACKARD. Oh, yes. That would make no difference in the figure I just gave you, because the figure I gave you was based on a family sized farm, and I was assuming some program of that kind would be worked out.

Mr. CURTIS. But you applied it only to undeveloped land; I am applying it to all the land in the area, in my second question.

Mr. PACKARD. I do not know it would increase the total number of families that the area would carry, because of this fact: There are too many people now on farms that are too small to make them a living. That number should be reduced. The proper settlement of the large holdings may provide homes for this surplus who are now on small farms, without providing any new homes for people not now on farms. In other words, perhaps the area is carrying as many total families as it should carry now, and there might be simply a shift, where you shift families from very small farms to larger farms where they can make more income.

I want to say, too, I do not necessarily recommend those large holdings be broken up. I think the cooperative operation of those lands does offer one satisfactory way to operate them in large units and I think, in the establishment of social legislation such as suggested—wages and hours; old-age pensions; housing; collective bargaining—it would at least help in meeting the social problems that these large farms have created.

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[2] See p. 3313 et seq.

Mr. CURTIS. But in discussing this subject, you do not suggest to this committee that even its best handling will enable this project to assimilate a portion of those immigrants that are now in California?

Mr. PACKARD. It will not absorb any large number.

Mr. CURTIS. Now, go on with the next paper, please.

CONSUMER COOPERATION IN AGRICULTURE

Mr. PACKARD (reading):

Cooperation, if considered within its broad horizon, can be a tremendous factor in creating new opportunities for employment and in increasing the national income. There is no physical reason why the low income and destitute farm population cannot find, along with others in like circumstances, a place of security on a relatively high standard of living. But not wholly on the land by any means. There are more people now engaged in agriculture than can be maintained on the land at an acceptable standard. The problem goes to the root of our economy. To accomplish the desired ends, our way of doing things must be geared to the requirements of machine production. The logic of technology is a high standard of living for all. And the necessary adjustments require cooperation on a broad front and in many lines.

Cooperation, as considered in this analysis, includes political democracy as an essential base. People cannot depend for long upon autocracy or dictatorship of any kind no matter how benevolent, as no man or group of men is wise enough, or sufficiently free from the disturbing effects of power, to be substituted for the choice of a free people.

Universal sane adult suffrage is, then, the primary basis for effective cooperation. It is but an example of people joining together "in a mutually helpful undertaking—which is democracy." This calls for an abolition of poll taxes and other restraints upon free expression. Unimpaired, universal, adult suffrage among sane people is the surest safeguard against class rule of any kind. This is important just now because of the desire of some to disfranchise the unemployed who are, in the main, but casualties of an economic change.

But suffrage also carries grave responsibilities. Democratic action cannot be wise if it is not based upon understanding. The spirit of the town meeting, working within a framework adjusted to a broad expression of opinion, is a necessary technique in any complex society. This technique has not been fully worked out, but the radio has been a vast aid toward that end. Understanding flows, in part, from discussion. It is based in part also upon a native sense of right and wrong. But formal education is also necessary. Literacy is the most important avenue to knowledge.

By and large, one lack among the low-income and destitute people in the United States is that many of them are not wholly literate. Most of them can read and write, but many do not do so easily, because their training has not given them sufficient facility. As a primary means of promoting informed action, the school facilities should be expanded. This applies less to buildings than to the number and training of teachers. The problem of schools for migrant families doing seasonal work presents special difficulties which require a better answer than has yet been developed.

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The consumer interest, however, is the only common denominator. All are consumers and all want an ample supply at reasonable cost. A national philosophy based upon consumer interest rather than upon any class interest will promote the interest of all.

The philosophy of consumer cooperation has been widely accepted in the United States. Consumers of services in most towns and cities have banded together in the development of water and power facilities for their own use. They have built schools, roads, parks, and libraries. Federal operation of the post office and Federal ownership and control of rivers and harbors, highways, national parks, and national forests are examples of consumer cooperation through political democracy acting in an economic field.

* * * * * * *

TESTIMONY OF WALTER E. PACKARD—Resumed

This, I think, is important for three reasons. Again, I am going to mention this distribution of income. Consumer cooperation does effectively distribute income, as shown in the illustration which I gave of the Central Valley project, in regard to power and also land.

The CHAIRMAN. Is what you are reading from a part of your statement?

Mr. PACKARD. Yes, sir.

The CHAIRMAN. Is it a part of the statement you will introduce for the record?

Mr. PACKARD. Yes, sir.

Now, the second point I wish to make is in reference to consumer cooperatives, which do aid in the development of markets. One point I have not mentioned is that the consumer cooperative is one method of expanding activities and enterprises very largely. It is one method of affording employment or putting people to work. An illustration that shows this principle better than any other is, perhaps, the Forest Service.

The Federal Government owns 25 percent of the forest lands of the United States, and it spends 27 times as much per acre on that land as the private interests do on the three-fourths of the forest lands in private hands. The three-fourths of the forest lands in private ownership represent by far the best forest lands. Now, that money is used in the employment of people in putting out fires, cutting brush, and doing conservation work of one kind or another. In that work the Government spends something like 33 cents per acre, while the private forest land owners spend 1.3 cents per acre. When it is in private ownership, it is affected by the desire to earn profits and, of course, any money spent on the conservation or protection of the land is taken from profits.

Where you have consumer ownership through the Government, all the money derived from grazing fees as well as the money derived from the sale of timber or sale of the land, is turned back in the employment of services on the land. That is a very good illustration of the way employment can be increased by consumer activities through consumer enterprises.

More recently, of course, the people of the country have become concerned over soil erosion, just as we became concerned over the matter of forest destruction some years ago. At the present time we are spending about $23,000,000 a year in the employment of experts in erosion control in the United States. Another example of consumer cooperatives used in expanding activities is where other motives do not serve. There are, of course, many other types of cooperative ownership, such as the ownership of land resources. For illustration, there is the Mineral King ranch project. That is one example which is very basic.

I know that there are a great many people who have recommended that all the land in the Columbia Basin project be purchased by the Government, and some have recommended that all the undeveloped land in California be purchased by the Government. That means getting those resources into the hands of the Government so they may be used in the interest of all.

Now, marketing and processing cooperatives are important in reducing the cost of operations. They are especially helpful to any low-income group that must look for economy in its operations. Both marketing and processing enterprises are common. I want to point out that they are essentially consumer cooperatives and not producers' cooperatives. They are composed of producers, but the producers buy the materials and services they need. The same thing is true of the cooperatives that are being extended very greatly now through the Farm Security Administration. That is where farmers get together and buy mechanisms that the large farms use, so they can be used cooperatively, thus giving to those individual operators some of the economies that the large operators have.

An illustration of the self-help producers' cooperatives is the Mineral King ranch project, where they must divide the product that they themselves together produce. It is a difficult thing to divide it. That is one profit that arises in all producers' cooperatives. In the case of the Mineral King ranch project, the profits are divided in the form of wage payments. The system used on that project is one of a stock corporation. They employ themselves, and the division of the profit is on the basis of the work they do, because they are paid wages, and that is their share. If there is any profit left over, it is paid in the form of bonus wages and not stock. The division is made wholly on the basis of the contribution made in labor. That, I think, will get away from the difficulty that jeopardizes most producers' cooperatives.

Now, there is one further statement I want to read here [reading]:

> In this very brief discussion of cooperation, I have attempted to lift the cooperative idea out of a framework of mediocrity in which many are apt to place it and to put it into the position of eminence that it deserves.
>
> We face a situation that is similar in essential features to that faced by the founding fathers. Hamilton in an appeal in the Federalist to the people of the State of New York had the following to say:
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> "After an unequivocal experience of inefficiency of subsisting Federal Government, you are called upon to deliberate on a new Constitution for the United States of America. The subject speaks its own importance comprehending in its consequences nothing less than the existence of the Union, the safety and welfare of the parts of which it is composed, the fate of an empire in many respects the most interesting in the world. It has been frequently remarked that it seems to have been reserved for the people of this country, by their conduct and example, to decide the important question whether societies of men are really capable or not of establishing good government from reflection and choice, or whether they are forever destined to depend for their political constitution on accident and force. If there be any truth in this remark, the crisis at which we are arrived may with propriety be regarded as the era in which that decision is to be made; and a wrong election of the part we shall act may, in this view, deserve to be considered as the general misfortune of mankind."

We are facing a like issue now. Political democracy must be translated into economic democracy. The interest of the consumers must prevail—for it is only through their desire for an ample supply of goods and services at reasonable cost that an economy of abundance can be built.

The CHAIRMAN. You have made a valuable contribution to our discussion, Dr. Packard, and we appreciate it very much. The statements that you have submitted are a part of the record.

The CHAIRMAN. The committee will stand adjourned until tomorrow morning at 10 o'clock.

(Thereupon, the committee adjourned to meet tomorrow, Tuesday, December 3, 1940, at 10 a. m.)

(The following correspondence was received subsequent to the hearing and accepted for the record:)

PACIFIC GAS & ELECTRIC CO.,
San Francisco, Calif., January 16, 1941.

The Honorable JOHN H. TOLAN,
Chairman, Select Committee to Investigate the Interstate Migration of Destitute Citizens, House of Representatives, Washington, D. C.

DEAR MR. TOLAN: I enclose a copy of a letter, dated January 10, 1941, addressed to Dr. Walter E. Packard, of Berkeley, Calif., who recently testified before your committee and in the course of his testimony commented on electric consumption and electric rates in the territory served by this company.

The letter sets forth facts and views which we believe should be published in any record containing Dr. Packard's testimony. We ask the courtesy of such publication, either in the report of the committee or in the Congressional Record.

Yours very truly,

W. G. VINCENT.

PACIFIC GAS & ELECTRIC CO.,
San Francisco, Calif., January 10, 1941.

Dr. WALTER E. PACKARD,
Consultant, 773 Cragmont Avenue, Berkeley, Calif.

DEAR DR. PACKARD: Recently, in testifying before the Select Committee of the House of Representatives Investigating the Interstate Migration of Destitute Citizens, you referred to a chart which you said "illustrates graphically how lower rates under public ownership tend to increase the consumption of power" and added:

"A rate of 3.39 cents per kilowatt-hour charged by the Pacific Gas & Electric Co., for example, has been a factor in the consumption of 829 kilowatt-hours of energy per consuming unit. In Modesto a rate of 2.80 cents per kilowatt-hour has been a factor in a per consumer consumption of 1,206 kilowatt-hours. In Winnipeg the rate is 0.825 cents per kilowatt-hour and the consumption is 4,838 kilowatt-hours."

The figures applied to the Pacific Gas & Electric system and to Modesto are new to us. Our record shows that in 1939 the domestic use on our system was 1,008 kilowatt-hours and the average revenue 3.33 cents.

In the city of Modesto the domestic use in 1939 was 1,240 kilowatt-hours and the average revenue 2.78 cents; in the Modesto irrigation district as a whole (city and rural) the domestic use was 1,917 kilowatt-hours and the average revenue was 2.27 cents.

Your Winnipeg figures are substantially correct, but you fail to mention that of the 4,838 kilowatt-hours all but about 750 kilowatt-hours are used for heating, i. e., cooking, water heating, and heating the house, upon which climatic conditions and the absence of cheap fuel have an important bearing.

Low electric rates alone do not account for greater consumer usage. Many other factors affect the situation. San Francisco, for example (with adjoining East Bay cities), has the lowest domestic electric rates on the Pacific Gas & Electric system, yet in 1939 the annual kilowatt-hour use per customer was only 694. On the other hand, 5 large cities on the Pacific system located in the Sacramento and San Joaquin Valleys, having slightly higher rates, had in 1939 an average use per domestic customer of 910 kilowatt-hours. A group of 95 small cities with rates higher than these 6 larger cities had an average use per domestic customer of 1,163 kilowatt-hours; 22 of the 95 had a use over 1,500 and 6 exceeded 2,000 kilowatt-hours per year. In the unincorporated territory served by the company (about 180,000 customers), at rates higher than in cities, the average annual use per domestic customer was 1,377 kilowatt-hours. These figures clearly indicate the opposite to your contention. Factors other than low rates are equally, if not more important.

For instance, the following may be cited. First, San Francisco is a metropolitan city with a large number of apartment houses, whose dwellers frequently dine out and visit the theaters and other places of entertainment. They use electricity only for lighting and for the operation of small or "convenience" electrical appliances. Second, the city is supplied with cheap natural gas which is generally used for cooking, water heating, and house heating.

That domestic rates are low in San Francisco is shown by the rate schedule itself, which is: Service charge, 40 cents; first 40 kilowatt-hours, 3 cents; next 60 kilowatt-hours, 2.2 cents; next 100 kilowatt-hours, 2 cents; and all in excess of 200 kilowatt-hours, 1 cent.

Official agencies have frequently noted San Francisco's low rates. A survey made by the Federal Power Commission as of January 1, 1940, placed San Francisco fifteenth among the cities of 50,000 and over in the bill for 100 kilowatt-hours.

A later survey made by the United States Bureau of Labor (October 1940) shows that in 51 cities surveyed by the Bureau only 4 had lower bills for 100 kilowatt-hours than San Francisco.

In its annual report for the fiscal year ending June 30, 1940, the Railroad Commission of California stated that California's utility rates are among the lowest in the country.

The commission included in its report a table "of the amounts paid for gas, electric, and telephone service in the 25 largest cities of the United States," which placed San Francisco in first position, with Louisville, Ky., second, and Los Angeles, Calif., third.

In your testimony the argument also is made that low rates "increase the general purchasing power." Apparently this statement is made without regard for the contributions made by the private utilities in taxes. If low rates are secured by elimination of taxes, which must be made up by levies upon the citizens' income through some other medium, there is obviously no net gain in purchasing power.

In the year 1939 the Pacific Gas & Electric Co. paid upward of $18,000,000 in taxes, Federal, State, and local.

Property taxes and franchise taxes levied by counties, cities, and districts totaled $9,225,000.

Taxes paid directly to the State aggregated $2,006,000 including unemployment-fund taxes, corporation franchise taxes, sales taxes, and motor-vehicle taxes.

Federal taxes—income taxes on 1939 earnings, a tax on sales of electricity, taxes under the Social Security Act, taxes on stock and others—totaled $6,755,000.

The company is the largest taxpayer in 25 counties in the State, including San Francisco. In some of the 25 it pays more than 50 percent of the total on the tax rolls—or, in other words, more than all the rest of the taxpayers combined.

In San Francisco our tax payments in the year referred to on all property, gas and electric, were $1,617,891.21, representing 20 cents of the tax rate. That is, except for the company's taxes, the taxes of everybody else in the community would be at least 20 cents per $100 higher.

Taxes are continually increasing. Our taxes for 1940 will be considerably greater than they were in 1939. In 1940 they will approximate the total amount paid by us in dividends to all classes of stockholders, and we have a total of 95,000 stockholders, of which 70,000 live in California.

In California no public agency supplies electric service at rates less than the private utilities if taxes are deducted from the rates of the private companies. Pacific Gas & Electric Co. could supply service lower than the municipal enterprises in its territory if it were free of taxes.

When you speak of "customer profits" as flowing "to a large number of consumers in lower rates," you leave a one-sided impression. The "flow in lower rates" would not create a new economic current; it would change the flow of money that now goes into taxes and dividends into another channel. Farmers and home owners would not be helped if they gained a few cents or a few dollars in electric rates and then found themselves paying as much or more in taxes.

Yours very truly,

W. G. Vincent

BERKELEY, CALIF., *January 30, 1941.*

Dr. ROBERT K. LAMB,
Chief Investigator, Committee on Interstate Migration,
House of Representatives, Washington, D. C.

DEAR DR. LAMB: Your letter of January 24 enclosing copies of letters to Mr. Tolan and myself, from Mr. Vincent of the P. G. and E. has been received.

I am enclosing herewith a copy of my reply to Mr. Vincent.

Since the matter has been called to the attention of the committee I am giving a more complete answer to the points raised by Mr. Vincent in this letter than I did in the letter to Mr. Vincent.

Mr. Vincent refers to figures given in a chart entitled "The Effect of Low Rates on Urban Domestic Consumption. Year 1938." The figures from this chart were quoted on page 8 in my testimony on "Can Low Income Population Improve Their Status Through Cooperation?" These figures are for the year 1938 and are correct. The figures cited by Mr. Vincent are for year 1939.

The chart itself may be misleading because it does not show all factors involved in relationships between consumption and price. I am, therefore, in favor of having the chart deleted. The second and third sentences in the first paragraph on page 8 can be changed to read as follows: "The effect is well illustrated in power where lower rates under public ownership tend to increase consumption." [1]

In my analysis I did not say that low rates were the only factor affecting consumption. Mr. Vincent admits that they are a factor, which is my only contention. Mr. Vincent points to the fact that a recent survey by the Federal Power Commission "placed San Francisco fifteenth among the cities of 50,000 or over in the bill for 100 kilowatt-hours." On the first page of a publication by the Federal Power Commission dated January 1, 1940, and entitled "Typical Electric Bills, California," a table is presented which shows the lowest and highest residential bills for communities of 50,000 and more, in California. Los Angeles, where power is distributed through a public agency, has the lowest bills, while Long Beach and Fresno, where power is distributed by private agencies, have the highest bills.

No one wishes to deny that the P. G. and E. is an efficient organization. The fact remains, however, that rates charged by the P. G. and E. are higher in general than those charged by towns and districts where power distribution is publicly operated.

Mr. Vincent next speaks of the effect of taxation upon rates and says "If low rates are secured by elimination of taxes, which must be made up by levies upon the citizen's income through some other medium, there is obviously no net gain in purchasing power." He goes on to say: "Pacific Gas & Electric Co. could supply service lower than the municipal enterprises in its territory if it were free of taxes." The facts are that the amount contributed to the payment of general expenses of cities by publicly owned electric utilities is appreciably greater than the amount paid to cities in taxation by privately owned utilities. The following paragraph from the report of the Federal Power Commission proves this point: "The combined total amount of taxes, net cash contribution, and free services furnished governments by publicly owned electric utilities for the year 1936 was 25.8 percent of the gross revenue and 13.2 percent of the gross revenue for privately owned electric utilities."

In the year 1937–38, the P. G. and E. paid 16.4 percent of their gross revenue in taxes. Alameda contributed 26.3 percent of its gross revenue under public ownership. Gridley contributed 23.6; Healdsburg, 43.5 percent; Lodi, 23.9; Modesto irrigation district 37.7; Palo Alto, 33.6. These are all towns where power is distributed through publicly owned agencies. These figures effectively answer Mr. Vincent's contention about taxes. These facts will all be amplified in my Haynes report.

Sincerely yours,

WALTER E. PACKARD.

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[1] See p. 3298.

BERKELEY, CALIF., *January 25, 1941.*

Mr. W. G. VINCENT,
Pacific Gas & Electric Co., San Francisco, Calif.

DEAR MR. VINCENT: I was glad to get your letter of the 10th with suggested modifications in my analysis of the Central Valley problems.

I am rewriting the report and shall take into consideration the various points you have raised. There are points you make with which I disagree. On a broad basis, price always affects consumption. The data presented, however, is misleading and will be deleted. Another fact is that publicly owned utilities contribute more to city and other public funds than privately owned utilities pay in taxes. This fact is well established.

It is understood, of course, that we view the problem from different angles. The Pacific Gas & Electric Co. is an outstanding example of efficient management and serves the community well. But the basic issue remains. And it is my feeling that it is an issue of tremendous importance. It symbolizes, in a sense, the broad economic factors which have led to basic lack of balance. Whether we like it or not, we must expand consumption and restrict the present channeling of income into the hands of a comparatively small proportion of our population. Our continued existence as a democracy depends upon it. And so does world peace. Our economic patterns are not geared to the requirements of the machine age, and they must be adjusted if we are to continue using these aids to production.

Sincerely yours,

WALTER E. PACKARD.

NATIONAL PRESS CLUB,
Washington, December 10, 1940.

Representative JOHN J. SPARKMAN,
Migrant Labor Committee, House Office Building, Washington, D. C.

MY DEAR MR. CONGRESSMAN: I want to call to the urgent attention of you and the Tolan committee an incipient migratory labor problem which is developing fast in my home State of Tennessee and in neighboring Kentucky. The locale is the dark-tobacco-growing country lying between Nashville, Tenn., and Paducah, Ky. Growers there are facing a disastrous situation as they market their 1940 crop and make plans for the next crop year. The war has all but wiped out their export market. And exports comprise more than half their total market for this particular type of tobacco. You can readily imagine the economic consequences of such a situation. Especially when it developed within the short span of one growing season and particularly when it occurred in a farming area where the average grower has always had to struggle to earn even a subsistence living.

It will not be necessary for me to go into detail concerning the plight of the dark-tobacco grower. The attached data, which I shall identify later, presents the over-all picture perfectly. At this point I should like to explain the relevancy of the dark-tobacco problem to the scope of your investigation. I should like to tell why I believe it offers an excellent subject for consideration of the committee at this time.

In some respects, the plight of the dark-tobacco grower is not unlike that of the southern cotton grower, about which you are already eminently well informed. With both crops we have witnessed the loss of a great share of our foreign trade because of nationalism, world trade barriers, and finally the outbreak of war in Europe and Asia. Before the war started in September 1939, the difference between the two situations might be described as mainly one of degree. The tobacco situation was similar to but not as bad as the cotton situation. Or, to put it another way, the disease which had been sapping the strength of our cotton economy was in a more advanced stage. At any rate, after the war did break out the dark-tobacco farmer had to make more adjustments and make them more rapidly than the cotton farmer. That is what he has to do now. That is why his plight is so desperate.

The present seems an opportune time to study migratory labor aspects of the dark-tobacco problem in Tennessee and Kentucky. You have looked at migratory labor in the cotton field. But there the process by which growers are being forced down the ladder from owners to tenants to sharecroppers to migrants—that process has been going on in the cotton kingdom for so many years that it must have been difficult for your committee to get a panoramic view of its workings. On the other hand, the effect of war is so pronounced and so intense in the dark-tobacco belt that your committee should find a rare opportunity there to watch migrancy in the making and from the over-all point of view.

Aside from this, there are other reasons why migrancy in the dark-tobacco region presents an attractive field for investigation. It is a problem which is comprehensible. It is not too large to be readily grasped. The geographical area is restricted. The region where dark types of tobacco are grown is comprised of a relatively few counties lying roughly in two congressional districts—one in Kentucky and one in Tennessee—and having a population of not more than 750,000 people. In fact, so small and compact is the region and so restricted the population that it would be entirely feasible to attempt a statistical analysis of the development of migrancy there during the next year or so. This could be done county by county and without undue expense, in my opinion. If the life of the Tolan committee is extended by the next Congress, I suggest this as a possible project. Or if, as has been proposed, some permanent commission is created to deal with the problem, the suggestion is equally fitting.

Finally, I should imagine your committee is turning its attention more and more these days to the effects of war and national defense upon the migratory labor problem. As the conflict abroad spreads and becomes more intense, undoubtedly there are many noticeable changes in the complexion of the subject which the committee is studying. And the same holds true, no doubt, as our national defense drive broadens in scope and increases in tempo. I know of no area in the Nation where your committee could so clearly observe the impact of war and defense on the general problem as in the dark-tobacco-growing area of Tennessee-Kentucky. Our present ills are, for the most part, the ills of war. And perhaps our main hope of relief depends upon the coming national defense developments to that locality.

I have referred to the migratory labor situation in the dark-tobacco belt variously as "potential," "incipient," or simply as a migratory "problem." Not having at my personal disposal the means of thoroughly investigating the situation, I am not certain which term most accurately describes it. On the basis of my own knowledge and the facts at hand, I am of the opinion that this region has produced at least some migrant farm labor within the last several years. For example, an official of Davidson County (Nashville) recently related how whole families were moving into that county from the surrounding rural areas—and particularly from the tobacco belt to the north—and filling public and private charitable institutions. These people, who were without funds to enter private hospitals, apparently had cut loose from their moorings in the black-tobacco belt and drifted away. This official said the institutional problem in Davidson County was getting serious. In connection with the question of the extent of migrancy in this region during recent years, I call your special attention to one of the attached letters on this general subject (Mr Helm's).

Regardless how serious the problem may have been in the past, a situation many, many times more serious looms in the imminent future—unless, of course, there are strong offsetting factors. To me, it seems almost inevitable that dire economic dislocations will result shortly if exports of dark tobacco are reduced from seventy-one to twenty-five million pounds within the space of little more than 1 year. And on top of that, growers in this section are confronted with a cut of one-fourth or one-third in triple-A allotments next year—a cut in allotments which are already small enough. (As evidence of their willingness to cooperate in solving this problem, dark-tobacco growers recently voted to undergo these drastic cuts by approving marketing quotas for the next 3 years. Eighty-five percent voted for 3-year quotas in the November 23 referendum.)

Loss of export market, disastrous market prices, and the prospect of further and more vigorous cuts in allotments—all these point to a precipitous drop in total income from the crop. This will be reflected in smaller individual incomes, of course. And, unless the unexpected happens, this will pave the road to migrancy. As Administrator R. M. Evans of the Agricultural Adjustment Administration told your committee on December 2, there is a direct relationship between income and migrancy. "There is no question but that the main single cause of migrancy is lack of income," he said. "If a farmer is making enough money, he will not lose his farm and go down the ladder to tenancy, and sharecropping, and migrancy. If a farm laborer is making enough wages, he will not be forced on the road in search of stray jobs * * *."

Some agricultural experts with whom I have talked profess to see certain offsetting factors. For instance, they see an antidote to migrancy in the Agricultural Adjustment Administration practice of cutting small growers proportionately less than large growers, in the making of tobacco allotments. Indeed, this would seem to be of some importance in helping the small grower remain on the land, but I am wondering just how effective it will be in the face of the export losses and quota cuts which lie in store for the dark tobacco-man before the next planting season rolls around.

As another offset, mention is made of the fact that plans for the defense program call for location of plants in rural areas. This seems fair enough and particularly appropriate in the dark-tobacco belt, whose troubles are directly attributable to the war. But the question arises whether the Government has any specific plans for locating defense industry in this area. I have heard of none so far. Even assuming there are such plans, the further question arises whether the plants will be constructed and in operation in time to meet the first impact of the agricultural crisis in that region. All in all, this does not seem to be a very strong reed on which to lean our hopes at this time.

In my opinion, Mr. Congressman, the dark-tobacco grower can place more reliance and hope in certain suggestions made to your committee—larger Farm Security loans to give growers time to diversify their crops; more public works in the area; Social Security funds to take care of potential cases of migrancy where public works are not feasible; establishment of a permanent Government commission to study and experiment with the situation.

Regarding the attached material: The first item is an article from the Nashville Tennesseean of Sunday, November 17, 1940, headed "'Black Patch' tobacco growers face darkest year as Europe's markets continue padlocked by war." The author is John Lipscomb, a member of the staff of that paper, who has done a comprehensive and thoughtful article on the plight of the grower. I call to your special attention that part of the article dealing with the outlook for tenants and sharecroppers in the region.

The second item is a letter from the same writer, giving some supplemental data about the labor situation and prospects of migrancy there.

The third item is a letter from Mr. Hugh Helm, who is a member of the Christian County, Ky., bar. Mr. Helm is a native of the dark tobacco country of Kentucky, just as I am a native of the same region on the Tennessee side of the border. Incidentally, he plans to return to his home within the next few weeks and make a more detailed survey of conditions there. If your committee is continued the next session of Congress, my thought is that you might find his observations valuable at that time.

We wish to thank you and the Tolan Committee kindly for giving us this opportunity to make a preliminary statement on migrancy in the dark tobacco belt. We earnestly hope you will seek and obtain authorization to continue your investigation next year so that you will have time to deal more thoroughly with the Tennessee-Kentucky situation.

Yours very truly,

J. LACEY REYNOLDS.

[The Nashville Tennesseean, Sunday Morning, November 17, 1940]

"BLACK PATCH" TOBACCO GROWERS FACE DARKEST YEAR AS EUROPE'S MARKETS CONTINUE PADLOCKED BY WAR—OPENING SALES APPROACH WITH DIM HOPES FOR GOOD PRICES

By JOHN LIPSCOMB

The future never looked blacker for the Tennessee-Kentucky "Black Belt" than it does right now.

That's a doleful note on which to begin a story, but in this case it's justified—as the farmers in the biggest dark-fired tobacco area in the world will tell you if you care to question them.

For many-many years farmers in southern Kentucky and middle Tennessee have produced the finest dark tobacco obtainable in the world. Tightly packed hogsheads went down to New Orleans and were loaded in the holds of steamers bound for France, Germany, Belgium, the Netherlands, Switzerland, Italy—and of course a good-sized percentage was sold to tobacco firms here in the United States. But the best market by far was in Europe. Today that market has been cut in half by the war and eventually will be virtually eliminated. Of all the former foreign markets, little Switzerland is the biggest one remaining—and her purchases are of little help.

BIG DIFFERENCE IN TYPES

There is a big difference between burley and dark-fired and air-cured tobacco. Burley growers, who are also numerous in this Kentucky-Tennessee area, have been touched only slightly by the war. Their market always has been concentrated in the United States, burley being used mainly for cigarettes and other 'light smoking." Dark tobacco, though, is used mostly in the manufacture of chewing tobacco (yes, a few still chew it), snuff, heavy pipe tobacco, and cigars.

Confronting dark-tobacco growers at present are these questions:

What will happen to prices this year? (The market opens early in December.)

What does the future hold for us?

How much tobacco should we grow next year?

VOTE SATURDAY

Naturally, nobody can give an exact answer to the first two questions—but the growers themselves will decide the latter question next Saturday when they cast their vote on the Agricultural Adjustment Administration quotas for 1941.

If two-thirds of all the growers in the district vote for the retention of Agricultural Adjustment Administration quotas, then Government loans will be granted again; the amount of tobacco to be grown next year will be cut drastically, in some cases 25 percent or more, with each farmer growing a proportionate share.

If the quota system is not approved, then every farmer—big and little—will be free to grow as much dark-fired tobacco as he wants to grow. Agricultural Adjustment Administration men say that such a course would be disastrous, and most of the growers agree—although some are doubtful. Scores of the growers were interviewed in a trip through the "Dark Belt" during the past week and less than 5 percent of them expressed opposition to the quota plan.

In past "normal" years 60 percent or more of the dark tobacco produced in the "black patch" was sold abroad through export buyers in Clarksville. Springfield, and Hopkinsville. Some of these buyers have virtually closed their offices—and the rest are literally twiddling their thumbs and wondering what is going to happen.

Farm agents and Government officials say that of the current crop, not more than half of the usual amount will be sold to the foreign markets—and next year the export trade probably will be just about zero.

ONE LONE ORDER

As an example, W. H. Simmons & Co., of Springfield, has received one lone foreign order for dark tobacco since last May 30, and that order still has not been delivered to its European buyer because of tie-ups in navigation.

Adolf Hach, another large export buyer at Clarksville, also said that his business had just about hit bottom. Hach, like the other export buyers in the area, was doubtful about the outcome.

"If the war should end soon," he said, "it wouldn't be such a big problem. Countries that have bought in the past would buy again. They probably would fill their present needs and buy for future demands—thus boosting the market again—but nobody knows when the war is going to end."

The situation, everybody agrees, is dark but not hopeless. Both the Agricultural Adjustment Administration officials and the growers already are looking around for a crop that will take the place of dark-fired tobacco.

SEEK NEW CROPS

So far, the answer to the problem seems to lie in the develolpment of stock raising and new crops. County agents in Kentucky and in Robertson, Montgomery, and other Tennessee counties were preaching diversification even before the war started in Europe—but the dark-fired growers are hard to convince.

"I've been working tobacco all my life," Jake Reeves, a grower near Hopkinsville, said. "There have been years when I made money out of it—and there have been years, like this one may be, when I didn't make anything."

"It begins to look like I've got to find something else, though," he continued. "I ain't had much schooling, and I don't know much about big business, but

I can see there's no use in growing tobacco if there ain't no place to sell it. What am I gonna turn to? I don't know, but I guess it'll be livestock. I've been so worried over next year that I hadn't thought much about it yet."

And that was just about what the other small growers said. Many of the smaller ones, of course, won't be affected by the quotas that will be placed in force if the vote is favorable.

HELP ASSURED

Help for the "small patch" growers was assured last Monday at a conference of dark-tobacco growers. Those who have no more than half an acre of tobacco under cultivation will not be affected in any way. Those who cultivate from six-tenths of an acre to a full acre will not be required to cut their crop more than 10 percent under the quota system.

Those who are really taking it on the chin from the war are the "middle sized" growers, the specialists, and the tenant farmers.

A 3-mile ride over a dirt road in Montgomery County, turning south from Highway 112 about 6 miles from Clarksville, leads to the comfortable farm home of G. T. Bearden and his son, C. G. Bearden. Last year the Beardens' crop of dark-fired tobacco brought the highest average price in this dark-fired district—$17.42 per hundred pounds for the whole crop.

The Beardens are discouraged but not downhearted.

"It's a bitter pill to swallow," the younger Bearden said, referring to the mutilated market. "I've been worrying about what we'll turn to, but that's not bothering me so much as the question of what's going to happen to the sharecroppers.

'There are a lot of sharecropper families who depend almost entirely upon dark tobacco for their living. Of course, my father and I can start growing livestock and maybe make up what we will lose if the tobacco market stays the way it is. But these tenant farmers over the district can't solve the problem that easily.

GROW OWN FOOD

"It's easy enough to say 'just grow some other crop,' but it isn't as simple as that. I believe the same thing that a lot of others believe—the tobacco growers, and especially the small ones, are going to have to grow more foodstuff and quit depending on the money they hope to get from tobacco.

"Growing your own food for the table—and not having to run to the store to buy it—will go a long way toward solving the problem."

Among the plans offered for relief of the tobacco problem was one by Hach based on "farm exchange," under which growers of dark tobacco would continue to grow their product, and would receive Government "credits" on their surplus. These credits then could be used to purchase other farm products which the tobacco grower does not produce.

"It might work," Hach said. "Anyway, they'll have to work out something—unless the war ends pretty soon."

OFFICIAL SUMMARY

Here is an official summary of the situation as set out by J. E. Thigpen, Chief of the Agricultural Adjustment Administration Marketing Quota Section:

"A year ago when farmers were getting ready to sell their 1939 crop of dark tobacco the market situation was fairly good. Surplus supplies had been eliminated. Domestic consumption and exports in the preceding year had amounted to around 145,000,000 pounds and the crop to be placed on the market was 139,000,000 pounds.

"The war, which already had caused the closing of the flue-cured markets, fortunately did not interfere seriously with the selling of the 1939 crop of dark tobacco.

"Today, as farmers get ready to market their 1940 crop they face one of the worst market situations in the history of the industry. Exports during the past marketing year ending October 1 amounted to only 46,000,000 pounds. Indications now are that exports for the current marketing year will be under 20,000,000 pounds. Prospects for future exports are so bad that export buyers are almost entirely out of the market.

"There is practically no demand for one-half of the estimated 1940 crop of 137,000,000 pounds. Buyers for the export trade, farmers and farmer cooperative representatives have conferred with officials of the Agricultural Adjustment Administration. With uncertainty about the reopening of export markets and with some tobacco of the 1939 crop still on hand—even though it may have been sold—export buyers are unwilling to invest much of their money in making purchases from the 1940 crop."

MARKETS CLOSED

If you want figures on what has happened to the market, here's what the Agricultural Adjustment Administration says: In 1939 a total of 68,272,000 pounds of dark tobacco was exported. Today, markets that received 40,337,000 pounds out of that total are closed; markets that received 7,768,000 pounds are partially closed by blockade, and only the markets that received 3,271,000 pounds are now open.

These figures, the Agricultural Adjustment Administration points out, represent the weight of the tobacco at the time it was sold abroad. The actual farm weight—or weight of the product at the time the farmer sold it—was 75,500,000 pounds.

That is the situation as it stands now—and it has been a big surprise to a lot of the growers.

The United States Department of Agriculture, though, is not surprised. As a matter of fact, the Department would be justified in handing out a formal "I told you so."

Through the University of Tennessee Extension Service, directed by C. E. Brehm, the Department for the past 3 or 4 years has been urging growers of dark tobacco to ease off and go in for diversified farming.

AWARE OF DECLINE

Here's what Director Brehm, Agronomist J. E. Hendricks, District Agent A. B. Harmon, and other Extension officials say about the problem:

"The Extension Service has been aware of the declining dark-tobacco market for several years, as has the United States Department of Agriculture.

"The solution—at least the only solution we see at present—is diversification of farm crops; but that's not as easy as it sounds. A farmer who has been growing tobacco for years just can't shift to other crops suddenly. It requires a gradual transition. They will have to learn the characteristics of new crops. They will have to learn new farm methods—almost like a man who enters a new trade.

"No matter when the war ends, the dark-tobacco market will never be the same. People—especially in the United States—don't chew much tobacco any more; they don't dip much snuff—and there aren't many other uses for dark tobacco. Its use for the production of nicotine and other byproducts is limited and certainly has no great effect on the market."

Hendricks, Brehm, Harmon, and other Extension Service specialists also agreed that the soil of Montgomery, Robertson, Macon, and Stewart Counties is well suited to diversified farming.

Such farming, they point out, might include livestock, especially sheep and hogs; fruit, and any crop that would help the farmer become more nearly self-sufficient.

The problem when boiled down, they maintain, is not just what is going to happen to the dark-tobacco market. The war, apparently, has settled that. The growers can't switch over to burley tobacco because that would upset the burley market—and so they sum up the problem this way:

"Since the dark-tobacco growers will have to begin diversified farming—how are they going to be cared for while the transition is in progress?"

That problem, they say, "will have to be settled by bigger brains than ours."

In the meantime, the Government is offering the more-or-less temporary quota plan and is hoping that the farmers will approve a 3-year plan instead of the customary 1-year plan.

Three years, Agricultural Adjustment Administration officials insist, will give opportunity for a long-range planning program that may take up some of the slack from the dark-tobacco market. The growers, of course, must decide between now and November 23 whether they want a 1-year program, a 3-year program, or whether they want to start swimming by themselves.

THE NASHVILLE TENNESSEEAN,
Nashville, Tenn., December 10, 1940.

Representative JOHN SPARKMAN,
Migratory Labor Committee, House of Representatives,
Washington, D. C.

DEAR SIR: I have been informed that the problem of several thousand growers of dark-fired tobacco, who are facing almost certain ruin because of the virtual collapse of their market, is to be called to the attention of your committee and I should like to offer some information that I have obtained along this line.

There are approximately 30,000 growers of dark-fired tobacco in the Tennessee-Kentucky territory commonly called the "black patch," and of this number approximately 10,000 (certainly no less) are tenant farmers.

The market for dark-fired tobacco has been declining steadily for 20 years, according to attachés of the United States Department of Agriculture here, and the last props of this market have been knocked out by the European war, which has closed all of the big foreign markets and most of the smaller ones.

Marketing specialists tell me that, within the next 3 or 4 years at the most, these small farmers will be growing a crop that positively cannot be sold.

The larger growers, of course, realize what is happening and are rapidly being educated to the fact that they must begin diversified farming if they are to survive. A great number of these large growers are planning to convert their farms to the growing of livestock or to crops that require less labor than dark-fired tobacco and which have a market. The solution, though, is not as easy for the small growers who operate their own little farms, or for the tenant farmers who own nothing and who, under the "new order," will be left literally out on their own.

These are the people who are going to create a critical problem for us Tennesseeans and Kentuckians. It is obvious that, when their present work is ended—either this year, next year, or the next—they are going to start moving to what they consider "greener pastures"—and your guess as to where these green pastures are to be found is as good as mine.

As a newspaperman I am especially interested in this problem and I have talked to many of these tenant farmers and small growers. Neither I nor they know where they will turn when their dark-fire market eventually breathes its last gasp.

Incidentally, I am using the term "tenants" as a general term and including sharecroppers under it.

This class of farmers—here as in other sections of the Nation where labor migration has occurred—looks to the landlord to solve such problems. Naturally, when confronted with such an immense problem, the landlords can offer no solution except whatever solution is proposed by the Government specialists.

If no such solution is offered them, it seems logical that what occurred in the Dust Bowl and in other sections where the demand for farm labor has stopped will occur here.

Those unfamiliar with this problem immediately suggest: "Grow some other crop if dark-fired tobacco won't sell." But—to enlarge upon the point I mentioned earlier—there are few other crops suitable to this section which produce as many jobs and as much work as this type of tobacco. For instance, the State specialists for some time have been trying to persuade these growers (meaning the landlords) to shift gradually over to fruit crops. But as you can readily see, this offers no help for those thousands who have kept busy with tobacco.

Livestock obviously is not the solution for the tenants and sharecroppers, because it takes more money than they have ever made to start a paying livestock farm.

Agents for the University of Tennessee Extension Service, who have been watching this problem develop and who now regard it with real concern, tell me that there can be no quick solution. The only possible answer, they say, is a long-range program (10 years or more) during which the farmers gradually shift over to the most suitable crops.

This is the point: no matter what program is adopted, it cannot immediately solve the problem of feeding thousands of persons who have no credit rating and who cannot support themselves while new work is being found.

If I can be of service to you and your committee in any investigation you may make, I trust that you will not hesitate to call on me.

Sincerely,

JOHN LIPSCOMB.

DECEMBER 13, 1940.

Hon. JOHN J. SPARKMAN,
Migrant Labor Committee,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: The activities of your committee have come to my attention and I would like to make a brief statement in behalf of the tenant farmers and sharecroppers of the dark-fired-tobacco region of Kentucky.

As you doubtless know, this section of the United States has long followed the agricultural policy of depending on one money crop, namely, dark-fired tobacco. The extensive and almost exclusive use of large areas for this purpose has limited the expansion of demand for manpower on farms, largely to the expansion in tobacco acreage, while the increase in consumption of that commodity has by no means kept pace with the expansion of the population. As a matter of fact, the rate of increase in consumption of dark-fired tobacco has hardly exceeded the rate of increase in productivity per man, and the expansion of acreage in Kentucky.

This situation has, for the past decade, been approaching the paradox of too many people for the present system of cash-crop farming, and at the same time, a large acreage of idle, though fertile, land. It is very obvious that we are now faced with a migratory-worker problem in the dark-fired tobacco region of Kentucky.

In 1930 the excess of births over deaths in the South was about 15 per thousand, which would mean an annual rate of natural increase of 1½ percent each year, enough to double the southern rural population in about 45 years, if none of the natural increment moved away. Looking back 45 years to 1885, however, it appears that even with the higher rate prevailing in those years, the rural farm dwellers of the South did not double in number, but increased only slightly. Evidently millions of people emigrated during the generation. The extent of this migration can be seen by looking at the figures themselves. These figures indicate that the rural farm South in the decade 1920 to 1930, exported about a quarter of a million persons each year to cities. Census statistics of birthplace further indicate that 24,100,000 of the native born population of the United States in 1930 were born in the rural southeast, but only 17,500,000 of them were living in the area of their birth. Thus, it is evident that over 6,600,000 had moved elsewhere, probably some 3,800,000 leaving the section entirely, and 2,800,000 moving to southern cities.

Thus the southeast rural districts, after supplying their own growth, had exported about a fourth of their natural increase in population, supplying a large proportion of the growth of southern cities, and sending about 3,800,000 to other sections of the United States. This was the situation up to 1930. Southern farms were exporting populations to the sections were laborers were in demand, first to the west, then to eastern and midwestern industrial cities. Since 1930, the natural increase has continued at approximately the same rate, but the urban demand for this excess labor supply has ceased. During the depression years, the population piled up in rural areas, and as the Agricultural Adjustment Administration barred the entry of new farmers into agriculture, the problems of relief and rehabilitation in the South were consequently accentuated. All of this is particularly true of the dark-fired tobacco area of Kentucky and Tennessee.

Modern America for the past few years has ceased using snuff and chewing tobacco in the quantities that prevailed in former times. Therefore, a large portion of the domestic dark-fired tobacco market has been irrevocably lost to the farmers of Kentucky. With the advent of present hostilities in Europe, the foreign market has been completely lost to the dark-fired farmers. On top of all this, the Federal Government, through its voluntary quota program, has cut the 1941 acreage quota 25 percent. Where will the tenant farmer and sharecropper of the dark-fired region of Kentucky turn? The land owners can turn to diversified farming, and particularly stock farming. But what will happen to those so unfortunate as to depend on sharecropping or renting? There must be some long-range program worked out by your committee to take care of this important portion of our population. However, immediately there is suggested the location of some defense projects in this area. It seems to me that this would benefit the landowners, the growers, the merchants, in fact, the Nation as a whole, as well as the sharecroppers and tenant farmers of the dark-fired tobacco region. After all, their plight is not of their own making. They are but the victims of a progressing, modern civilization in America, and the unfortunate war in Europe. These people should not be forced to leave their native soil and wander over the States of the Nation looking vainly for a chance to work in seasonal employment in order to keep body and soul together. They deserve better than this. They are not shiftless, irresponsible vagrants without hope or care for the future. They are worthy, dependable citizens who are the backbone of their Nation.

Respectfully submitted.

HUGH B. HELM.

INTERSTATE MIGRATION

TUESDAY, DECEMBER 3, 1940

House of Representatives,
Select Committee to Investigate the Interstate
Migration of Destitute Citizens,
Washington, D. C.

The committee met at 10 a. m., in the caucus room, Old House Office Building, Hon. John H. Tolan (chairman) presiding.

Present: Representatives John H. Tolan (chairman), Claude V. Parsons, John J. Sparkman, Carl T. Curtis, Frank C. Osmers, Jr.

Also present were Dr. Robert K. Lamb, chief investigator; Henry H. Collins, Jr., coordinator of field hearings; Creekmore Fath, John W. Abbott, field investigators; Ariel V. E. Dunn, Alice M. Tuohy, assistant field investigators; Irene M. Hageman, hearings secretary; Richard S. Blaisdell, editor; Harold D. Cullen, associate editor.

The Chairman. The committee will be in order. We will call as our first witness the Secretary of Labor, Frances Perkins.

TESTIMONY OF HON. FRANCES PERKINS, SECRETARY OF LABOR

Secretary Perkins. Mr. Chairman, I believe you have received my statement of facts.

The Chairman. Yes; we have; and it is a very valuble statement, Madam Secretary. It will go into the record at this point.

STATEMENT OF HON. FRANCES PERKINS, THE SECRETARY OF LABOR

MIGRATION A NORMAL PROCESS

Mobility has always been and still is a normal and vital feature of American life. So long as our economic and social patterns continue flexible, this will be true, and it is sound and wholesome for it to be so.

The migration of workers is a healthy sign of an advancing economy. We need a flexible adjustment of the population from the depressed areas, to the areas of opportunity, whether rural or urban, where people can hope to make a better living. The hardship of migration results from failure to give efficient direction to the worker and his family who have the enterprise to move in search of opportunity.

Since 1921, migration from abroad has been restricted. The burden of adjustment to changing economic conditions has fallen upon native Americans. During the decade 1921–30, the chief migration was the northward movement of Negroes from the rural South into the urban centers of the North. During the great depression of 1930 to 1933 both white and Negro workers moved from the cities back to the rural areas, seeking to exchange meager security among family and friends for the industrial opportunities which had disappeared. Today the majority of migrant workers are native white Americans who seek to escape from drought, depleted soil, or outmoded industry to larger opportunities of advancing industry or agriculture. If we could provide these expanding opportunities in sufficient volume to take care of all the surplus population of the regions suffering from this decline in economic opportunity, the problem of migration would be quickly solved, although there would still be problems connected with absorbing those who would move.

SPECIFIC NEEDS FOR MIGRATION

The largest increases in our population are in rural areas, especially in the southeastern section of our country In some of the areas where population increases most rapidly, the soil is too poor to support even the present population on a good standard. In other areas, industry has moved away for various reasons. The largest increases in the demand for labor are in the northern and western sections, and in southern urban centers.

Our cities, generally, do not maintain themselves by births in the city populations. Yet these cities and their surrounding areas afford the greatest employment opportunity. As a result, there was a net movement of more than 6,000,000 persons from farms to cities during the decade 1920–30.

Migration is also needed to meet seasonal demands for agricultural and industrial work. Until recently, most American farming was conducted on a family basis, with the help of a few hired hands or sharecroppers who were provided with maintenance throughout the year. Today agriculture is becoming mechanized and specialized, in one region after another. As a result, there is a demand for large numbers of workers at harvest time, but not at other reasons of the year. This change increases the need for a mobile working force which will move in response to shifting seasonal demands. A very large number of people also move from place to place, often crossing State lines to take seasonal jobs in industries.

At the present time, migration is also needed to meet the needs of our national defense. Effort is being made, through the National Defense Advisory Commission, to place orders and build plants in areas where unemployed labor now exists. However, other considerations sometimes interfere. Speed dictates that our defense materials be produced in the areas where the facilities already exist. Strategy dictates scattered locations in the less-exposed areas of the country. These locations may or may not correspond to the places where adequate supplies of labor of the requisite skills are already available. Again a considerable volume of migration will be required to meet these needs, and it is already taking place.

MIGRANTS ARE NORMAL PEOPLE

The people who move in search of greater opportunity today are mostly native white Americans. Cheap automobiles and good roads facilitate migration, with the result that whole families, including young children, now move more often than formerly.

Many of the migrant workers are those who have not made a good adjustment in the areas from which they came. But it does not follow that they are unemployable. On the contrary, the migrants are among the most ambitious and enterprising of our people and comprise more young people than the population as a whole. They are the modern pioneers who accept the burdens of adjustment to changing circumstances as did the travelers in the covered wagon and the immigrants from foreign lands in earlier days. Our social problem of migration is that of guiding the migrant to the place where he may find the work he seeks, of avoiding useless and wasteful migration, of accepting the migrant worker for what he is, an American citizen like the rest of us and not an outsider, and of establishing minimum standards so that the migrant's necessities will not undermine the wages and working conditions of the established worker.

DISTRESS OFTEN CONNECTED WITH MIGRATION

Not all migration is accompanied by distress. Much of the moving about is accomplished without creating a problem in public health, or in relief, or in housing. Distress occurs when migrants come too rapidly or in too great numbers to permit ready absorption into our economic or social community life, when they appear to constitute a separate social or economic group or when the shortness of their stay makes effort on their behalf seem of temporary value.

It is the migrants who usually pay the price of the economic adjustment they enable the community to make. Migrants often suffer because seasonal jobs which they take, in agriculture, pay low wages but require long hours on perishable crops. Such jobs are usually followed by periods of unemployment. Living conditions that go with these jobs are often far below any American standard of health or decency.

Even in national-defense jobs, subject to Federal supervision and Federal labor laws, where, as a rule, hourly rates of pay are high, problems arise, because the emergency may bring a sudden influx of workers, and often their families, to areas unprepared to receive them.

Migrants frequently lack the protection of labor laws and social-security laws, not so much because they are migrants (although that is a special handicap and a bar to eligibility for certain services) as because they secure employment in occupations that are exempted from most labor laws, and in sections of the country that are poorly equipped with social services and with labor laws. The local population, which works alongside of the migrants, suffers from many of the same conditions. Both groups would benefit from broader occupational coverage in labor and social-security laws.

WHY MIGRANTS LACK THE PROTECTION OF LABOR LAWS AND SOCIAL-SECURITY LAWS

1. Community attitudes:

Our social and political institutions were made to fit the needs of resident rather than moving people.

A striking example is our settlement laws, which still hark back to an Elizabethan idea that a man will live and die in the parish where he was born. People who move, even today, lose their claims on one community before they acquire a foothold in a new one. These people travel in order to perform useful work, much needed by the communities through which they pass, and most of them are citizens of the United States. Yet they do not obtain the right to apply for assistance such as is given to other people with similar needs, simply because they have not lived long enough in any one place to qualify. This is an unrealistic situation, and one for which I hope this committee will try to find some remedy. If there are to be settlement laws, at least they should be uniform within the State, and also uniform as between different States.

The compulsory school attendance laws also are intended primarily for residents. Even where the right to attend school is given to children of migrant families, school attendance officers often overlook the children of migratory families. These children are a greater burden because of their irregular attendance, short stay, and fluctuating numbers, so that even with the best of intentions it is difficult for the schools along their routes to fit them in.

Many other examples could be cited of treatment which might be called "discriminatory," which arise from the fact that our communities are based on a settled existence, in spite of our long tradition of pioneering, and our need for these migratory people.

2. Migrants are employed in occupations that are generally excluded or exempted from protective legislation:

Migrants find employment on a large scale in occupations that are for the most part excluded or exempted from the coverage of State and Federal labor laws, and social-security laws: e. g., agriculture, packing and canning, and casual employments, some of them in industry.

Casual labor is not covered by workmen's compensation laws except in a few States. Casual workers rarely receive unemployment compensation between jobs because they have not had enough continuous employment in one State to qualify. Mr. Stanchfield, of the Michigan Unemployment Compensation Commission, pointed out before this committee at one of its field hearings that 42 percent of the claims filed in his State for unemployment compensation by migrants were disqualified for this reason, compared to only 12½ percent of resident claims.

Child labor is common among those migrant families that are employed in agriculture and in processing of food products, these industries being the largest users of child labor. Child labor goes with low earnings (which induce families to put to work every pair of hands they can muster) and rush work on perishable products (which induces the employer to hire all whom he can get).

In general, State child-labor laws governing industrial and commercial occupations have not been applied to agricultural work. But, with the extended production of truck, fruit, and berry crops and the increase in large-scale farm operation, the work of children on farms has become increasingly industrialized, with repetitive tasks, long hours, and small earnings. Such work seriously interferes with schooling of child workers, both resident and migrant.

While compulsory school attendance laws may, to some extent, restrict farm work during school hours, there too frequently is a lack of vigorous enforcement in the case of the rural child. In addition, these laws contain numerous exemptions under which children may leave school for farm work.

3. Migrants are employed in areas lacking in labor laws and social services:

Migrants are employed very largely in rural areas where social services are inadequate even to meet the needs of the residents. In many of these areas, too, there are few labor laws on the statute books, and such laws as exist are often poorly enforced.

For example, one State estimates that between forty and sixty thousand agricultural migrants, and even larger numbers of temporary out-of-State workers in the service trades and clerical occupations—between seventy-five and one hundred thousand—enter the State each year. This State lacks a fully organized State labor department and many of the essentials of a well-rounded State labor code. For example, a State official has recently pointed out that a wage payment and wage collection law could be used to good advantage in assisting the numerous workers (chiefly in service trades) who file complaints that they have failed to receive the wages due them. When this happens, the migratory workers are left stranded.

Migratory workers and their families are usually in areas where public health and medical care, even for residents, are inadequate and where there is little possibility of extension of such services to incoming and temporary groups unless local resources are supplemented by outside funds.

The children's bureau found that out of 82 counties, in 17 States, where migrants worked, less than one-third provided any opportunity for either resident or migrant mothers and children to secure such medical advice as is afforded by prenatal and child-health conferences and public-health nursing services, unless the families could afford to consult a private physician. The urban counties where migrants worked were only slightly better off than the rural counties.

Although the very fact of migration connotes family instability, social as well as economic, migrant families are usually outside the protection of our community social services. Family welfare services are limited or lacking; public relief or assistance is usually not available for nonresidents. The protective services we provide to guard children against dependency, neglect, and delinquency do not reach the children of migrant families. Recreational opportunities are limited, except for the cheapest commercial recreation.

RISKS TO WHICH MIGRANTS ARE EXPOSED

Migrants are often the very group most in need of protective services and of the benefits that labor laws are supposed to confer. The occupations in which many migrants work are low paid, highly seasonal, often with bad working conditions, and often bad living conditions, too. This is true in agriculture, canning and packing and preserving of foods and sea food, and in lumbering; and some of it is true of the service trades in and about seasonal resorts. In most of these occupations, it is difficult for workers to organize to protect themselves.

Migratory workers are often preyed upon by unscrupulous labor contractors, who are nowhere as yet subject to any effective regulations. Whole families may be brought long distances from homes by these contractors and forced to remain even under intolerable conditions, because the contractor has advanced the money for transportation and food, or because the worker will lose his season's earnings if he goes back, assuming he can finance the return journey. Incidentally, farmers, too, are often victims of the contractors' practice of labor stealing.

The transportation facilities provided for migratory workers by labor contractors and others, for which fares are collected, are in many cases not only disgraceful but dangerous to the migrants themselves and to others on the highways. Much of the transportation concerning which we have received complaints is in overcrowded, open trucks, making long journeys, crossing one or more State lines. Some of it is intrastate. The collision in Texas between a railroad train and a truck carrying 44 farm workers, the youngest being 7 years old, is a striking illustration of the prevalent abuses. This particular accident did not come under the jurisdiction of the I. C. C., but many trucks similarly loaded are known to operate in interstate commerce.

Unemployment is perhaps a greater terror to the family on the move than to the settled family. People forced to move in search of a livelihood soon exhaust their resources if they do not find work. The earnings on one job are consumed at once or go to buy gas or pay for transportation to the next job. Even a short waiting period between jobs, or between pay days, means misery.

Unemployment among migrants is not cushioned by funds for unemployment compensation, W. P. A. work, or general relief to the same extent as among the resident population. When individuals and families need help to survive, our present residence laws and patchwork provision for relief in effect deny them that aid. Surplus commodities made available by Federal funds, relief grants from the Farm Security Administration, and private charity are the chief sources of what little aid the migrant now receives.

Migrant families suffer more illness and receive less medical care than even the lowest income groups with settled residence. Many women go through pregnancy and childbirth without prenatal supervision or care at delivery by doctors or nurses. A higher proportion of children in these families suffer hunger and malnutrition, and develop serious physical and mental handicaps as a result of irregular and insecure living, lack of proper diet and lack of medical care. Hospitalization and medical care are provided only occasionally, in dire emergency.

Even where there are not enough health and welfare services to go around, residents would gain something—in the crudest practical calculation—by making existing resources more accessible to migrants, for no community can isolate itself from the diseases which the migrants may bring with them, or which may originate in insanitary migrant camps. It is true here, as has been observed in another connection, that you cannot keep a man down in a ditch unless you stay there with him.

BROADER COVERAGE FOR GROUPS NOW EXCLUDED FROM LABOR LAWS HAS BEEN REPEATEDLY URGED BY NATIONAL GROUPS

The National Conferences on Labor Legislation, the White House Conference on Children in a Democracy, the Interdepartmental Committee to Coordinate Health and Welfare Activities, the Baltimore Interstate Conference on Migratory Labor, the Social Security Board and its Advisory Committee all have urged extension of labor law coverage to workers now excluded. (Copies of these recommendations are submitted herewith.)

Specifically, the recommendations of these bodies include—

(*a*) Extension of authority of State labor departments to all places of employment.

(*b*) Immediate inclusion of workers now exempted under workmen's compensation and wage-collection laws.

(c) Elimination of present exemptions in State labor laws. The most frequent exemptions are—

(1) Agriculture and domestic service, from practically all types of labor laws.

(2) Hotels, canneries, also telephone and telegraph establishments, from State hours legislation.

Wherever exemptions could not be eliminated outright, the national conference felt they should be narrowed as much as possible.

The definition of agricultural work for purposes of exemption from the Social Security Act, which was adopted by Congress in 1939, runs counter to the commonly accepted meaning of that term. It exempts, along with agricultural field occupations, hundreds of thousands of cannery and packing-shed workers who are really performing industrial operations. The industrial nature of these jobs has been recognized by many authorities, in addition to the Social Security Board and its advisory committee, who strongly advised against this exemption and who are pressing for reinclusion of these workers. The National Labor Relations Act also exempts agricultural workers. The board has kept this definition within the commonly accepted meaning of the term, and has held that packing-house workers are covered. In this it has been upheld by the United States Circuit Court of Appeals in California in a decision which the United States Supreme Court has refused to review.[1]

(*d*) Setting a minimum age for employment of children in industrialized agriculture, as distinct from the home farm.

Improved educational facilities, equal to those for resident children, for all children of school age in migrant families and Federal and State aid to remedy inequalities in educational opportunities.

The Fair Labor Standards Act of 1938 applies the basic minimum-age standard of the act to the work of children in agriculture during the periods when they are legally required to attend school. Within this limitation the act applies its basic child-labor standard to agricultural employment wherever the child-labor provisions of the act apply, that is to employment in establishments producing goods for shipment in interstate commerce, for example, to truck farms whose products move in interstate commerce.

In New Jersey, where there has been extensive use of young workers on industrialized farms, the State's 1940 child-labor law contains special provisions establishing minimum-age standards for agricultural work both during school hours and outside school hours, and includes specific administrative provisions for agricultural regulation.

These are pioneering legislative measures. Experience in their administration will be valuable in pointing out ways of adapting methods of labor regulation originally developed for industrial and commercial employment to agricultural work.

RECOMMENDATIONS

I. Extension of the coverage of labor and social-security laws, both State and Federal, to workers in industrialized agriculture and to all workers engaged in processing and packing agricultural products.

This means, specifically, bringing these workers under such laws as workmen's compensation, child labor, wage and hour laws, wage payment and wage collection laws, legislation for collective bargaining, unemployment compensation, old age and survivor's insurance. The places of employment should be under the jurisdiction of the State labor departments, so that investigations of working conditions can be made.

One device which has been used to establish labor standards for certain agricultural workers is to make crop benefit payments to farmers conditional upon their observance of required labor standards. This has been done in the case of one agricultural commodity—sugar.

EXTENSION OF CONCILIATION SERVICES

Both State and Federal agencies engaged in mediation and conciliation of labor disputes should give increased attention to methods of settling disputes involving agricultural and migratory workers.

On account of the shifting nature of the group of workers involved, special techniques may be needed to develop equitable and peaceful labor relations.

II. Strengthening and extension of public employment service, along the following lines:

(*a*) A farm placement service, operating on a regional basis, which will estimate crop needs in advance, make contracts with both resident and migratory labor, and with employers, route labor from job to job, and thus decrease the waste motions and cross-currents of migration, and the waiting time between jobs.

(*b*) An industrial and construction placement service, with interstate clearance, is now being developed. It is badly needed in connection with national-defense projects.

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[1] *North Whittier Heights Citrus Association* v. *National Labor Relations Board*, decided January 12, 1940, U. S. C. C. A., 9th Circuit. Certiorari denied by U. S. Supreme Court May 20 and October 14, 1940.

III. Regulation of labor contractors:

(*a*) By State law. Some States have no regulation for any kind of private employment agencies; others have laws which need to be revised in order to cover the typical labor contractor who recruits migratory, seasonal agricultural labor, who operates with his office under his hat and does not have premises that can be located and inspected.

(*b*) By a Federal law designed to regulate agents who do interstate recruiting and placements.

At present these operations escape all regulation except in a few instances where they may be caught under the emigrant agent laws which a few southern States have adopted.

Such regulation should be under the jurisdiction of the State labor departments and of the United States Department of Labor, respectively.

IV. Improved enforcement and extension of regulation of transportation facilities, especially trucks:

(*a*) By the Interstate Commerce Commission, for interstate traffic.

(*b*) By the State commissions, for intrastate traffic. Apparently much of the transporting of migrants at the present time is illegal, and is done in violation of existing regulations. However, the regulatory bodies lack staffs and funds for enforcement. Existing regulations and basic authority to regulate may need some revision.

V. Housing:

(*a*) Continuation and expansion of the Farm Security camp program.

(*b*) State housing and sanitary regulations should be applied to shelter of migratory and seasonal labor, where codes already exist. Where there is no code, regulations should be adopted and enforced. Increased personnel and appropriations will be needed by enforcing agencies. The State labor department is the logical agency to make inspection of labor camps.

(*c*) Low-rent housing projects to take care of demonstrated housing needs for workers on national-defense projects, along the lines of the projects aided by the United States Housing Authority, to be undertaken by local, State, and national housing agencies (authorities) where private enterprise is unable to build the necessary housing at rents the workers involved can afford. For higher-income defense workers, likewise, adequate housing will have to be built with the aid of public agencies and public funds. Housing developments will be needed for workers, both white and colored. Where permanent housing of this sort is constructed, it should be planned not only to fill the immediate shortage, but to fit into the life of the local community.

For short-run defense projects, temporary and in some cases portable housing will have to be constructed by public agencies.

VI. Health, medical care, and welfare services:

(*a*) Increased Federal funds under titles V and VI of the Social Security Act.

These are urgently needed to enable the State health agencies to strengthen existing public-health organization, and to extend to migrant citizens and their families public-health protection, maternal and child-health services, and medical care facilities, especially provision for mothers and infants before, during, and after childbirth.

(*b*) Allocation of national-defense funds to meet emergency needs for sanitation, control of communicable diseases, medical care, and health services (especially those for mothers and children) and welfare services in areas where defense projects are causing a sudden influx of population with concomitant public-health problems.

(*c*) Expansion of local child-welfare staffs in areas where migrant families congregate, whether for agricultural, nonagricultural, or defense employment, to aid families with children, and to devise necessary protective services for boys and girls.

VII. Public assistance:

(*a*) Uniformity of settlement laws, both within each State and among the States.

(*b*) Federal, State, and local cooperation in providing for aid to migrants in need of assistance.

Federal grants-in-aid to the States similar to those now available for public assistance under the Social Security Act can be adapted to this end with the

Federal Government meeting the full cost of assistance for those who have not acquired residence in the States to which they have gone.

(*c*) In areas undergoing rapid expansion for defense projects, special emergency provision for relief needs of industrial workers and their families who may be temporarily stranded because defense jobs are not ready for them, or because the jobs have closed down, or because they are not equipped for such employment as is available.

VIII. Education:

Adequate school facilities for all children, migrant and resident, with State or Federal aid where necessary to secure equal opportunities.

IX. Guidance of migration; rehabilitation, and resettlement programs:

(*a*) Continuing study of regional resources and of economic opportunities by regions and by occupations.

This would yield a picture of the need for outward migration from some areas, and the needs of other areas for immigration; it should also include studies which give a picture of the obsolescence of some jobs and the emergency of others, e. g., the Labor Department's occupational outlook service.

(*b*) Programs of assisting surplus population either to find new possibilities of employment at home or to migrate to economic opportunities elsewhere.

Anything that can be done to rehabilitate areas such as those in some of the southeastern States, which today constitute a great reservoir of potential migrants, will decrease both the magnitude and the intensity of the migrant problems here discussed, and should be encouraged. Planning would include, for example, public works programs for the conservation of natural resources—soil, forests, water power; the promotion of sound industrial expansion; the location of defense projects and the placing of defense orders in places where labor is now unemployed, insofar as compatible with other national considerations such as speed and strategic location. The education of our stranded populations in new skills, both agricultural and nonagricultural, is important.

X. Need for a central coordinating agency to assist in planning future study and to promote both study and action:

It would be desirable to have such an agency set up for a specified period of time, in order to focus all the scattered efforts that many agencies are directing at different phases of this vast problem.

Whatever agency is set up should work closely with State and local groups and agencies where the problem is acute, in order to adapt the program to local needs. Our experience with regional conferences has been that local groups participate actively in a Federal-State program when they are given a chance to know what can be done.

FUNCTIONS NOW PERFORMED BY THE UNITED STATES DEPARTMENT OF LABOR IN REGARD TO MIGRANTS

In any future programs the United States Department of Labor can be counted on to continue its present services and to add facilities for dealing with this problem, including—

Bureau of Labor Statistics.—Occupational outlook service surveys of economic conditions, working conditions, earnings, etc.

Women's Bureau.—Studies of employment and working conditions of women.

Children's Bureau.—Studies of child labor in both industry and agriculture. Administration of child labor provisions of the Fair Labor Standards Act. Federal aid for maternal and child health, crippled children, and child welfare services.

Division of Labor Standards.—Promotion of labor standards, including assistance to State labor departments and interested groups in the States. On the problems of migration, this has included assistance in holding regional conferences to discuss improving the status of migrants through cooperation of State, Federal, and local agencies.

GENERAL SUMMARY

Some of the measures discussed are primarily for migrants. But we do not need to create many separate institutions and programs for migrants, if we recognize these people as part and parcel of the whole community of the 48 States, and take down some of the barriers in the way of their getting the same treatment as those who stay at home.

Such a policy rests on a primary assumption that the total volume of services (health, welfare, public assistance, etc.) will be amplified to take care of the needs of both resident and migrant, and that the coverage of labor laws and social-security laws will be extended to cover many workers in occupations now left without protection.

Migrants do not live apart from our whole social and economic system. In the long run, the best assurance of a decent life for migrants is in the continued improvement in the standard of living, and the opportunities for work, of all Americans.

Appendix A

RECOMMENDATIONS CITED IN SECRETARY'S STATEMENT

1. Reports of committees and resolutions adopted by the Fifth National Conference on Labor Legislation, 1938.
    Report of Committee on Extension of Labor Law Protection to all Workers (p. 3).
2. Report of committees and resolutions adopted by the Sixth National Conference on Labor Legislation, 1939.
    Report of Committee on Child Labor, p. 4.
    Report of Resolution Committee, p. 22.
3. Recommendations of the White House Conference on Children in a Democracy.
    Children in Migrant Families, p. 24.
4. Recommendations of the Interstate Conference on Migratory Labor (Maryland, Delaware, New Jersey, Virginia).
5. Report to the President on Migratory Labor, by Interdepartmental Committee to Coordinate Health and Welfare Activities.
    Recommendations, p. 20.

Appendix B

LIST OF PUBLICATIONS OF UNITED STATES DEPARTMENT OF LABOR WITH RESPECT TO MIGRATORY WORKERS SUBMITTED BY THE SECRETARY OF LABOR

Division of Labor Standards

Statement of Clara M. Beyer, Agricultural Workers Under State Labor Laws, submitted to La Follette Civil Liberties Committee, May 22, 1940.
Proceedings of Interstate Conference on Migratory Labor, February 1940.

Women's Bureau

Women in the Fruit-Growing and Canning Industries in the State of Washington, Bulletin 47, 1926.
Women's Employment in Vegetable Canneries in Delaware, Bulletin 62, 1927, page 29.
Application of Labor Legislation to the Fruit and Vegetable Canning and Preserving Industries, Bulletin 176, 1940.
Employment Conditions in Citrus Fruit Packing, 1939.

Bureau of Labor Statistics

Migration of Workers, Part I, Nature of the Problem, 1938.
Labor Conditions in Onion Fields of Ohio, Monthly Labor Review, February 1935, page 324.
Patterns of Agricultural Labor Migration Within California, Monthly Labor Review, November 1938.
Refugee Labor Migration to California, 1937, Monthly Labor Review, August 1938.
Drought and Depression Migration Into Oregon, 1930 to 1936, Monthly Labor Review, January 1938.
Seasonal Agricultural Labor in the Yakima Valley, Monthly Labor Review, August 1937.

A Survey of Labor Migration Between States, Monthly Labor Review, July 1937.

Migratory Farm Labor in the United States, Monthly Labor Review, March 1937.

Drought Refugee and Labor Migration to California in 1936, Monthly Labor Review, December 1936.

Drought Refugee and Labor Migration to California, June–December 1935, Monthly Labor Review, February 1936.

Children's Bureau

Statement of Katharine Lenroot, submitted to La Follette Civil Liberties Committee, May 27, 1940.

Statement of Dr. Eliot, submitted to La Follette Civil Liberties Committee, May 27, 1940.

Statement of Beatrice McConnell, "Child Labor in Agriculture," submitted to the La Follette Civil Liberties Committee, May 27, 1940.

Migration of Workers, Part II, Social Problems of Migrants and Their Families.

Wages, Employment Conditions, and Welfare of Sugar-Beet Laborers, reprint from Monthly Labor Review, February 1938.

Children in Agriculture, Bulletin 187, 1929.

Children in Fruit and Vegetable Canneries, Bulletin 198, 1930.

Welfare of Families of Sugar-Beet Laborers, Bulletin 247, 1935–39.

Report on Social Problems of Migrants and Their Families Summarized, The Child, August 1937.

Age Certificates for Young Workers Under the Sugar Act, The Child, October 1939.

Regulation of Child Labor in Industrialized Agriculture, The Child, April 1940.

Child Labor in Vegetable Canneries in Maryland, The Child, August 1940.

Interdepartmental Committee to Coordinate Health and Welfare Activities

Migratory Labor, A Report to the President by the Interdepartmental Committee to Coordinate Health and Welfare Activities.

TESTIMONY OF HON. FRANCES PERKINS, SECRETARY OF LABOR—Resumed

Secretary PERKINS. I understand that in the review of that statement of the background you have discovered what is quite natural—that it covers much the same ground and deals with much the same circumstances and situations as do the factual statements of all the other witnesses who have appeared here. I presume that there is nothing new in it. We all derive our information from the same sources, with slightly different observations, due to the emphasis either upon social, labor, or health aspects, of the situation.

Of course, our people, in studying this for some years now, have naturally emphasized the labor aspects of the problems of the migration of populations looking for work. But we recognize that there are other aspects to the problem, too.

We delivered here yesterday a volume of all the reports that have been made in the Department of Labor over a period of time; it is a rather large volume, as you can see, of reports of one kind or another that have been made by different agencies and different groups in the Department of Labor.

The CHAIRMAN. I might say to you, Madam Secretary, that this committee has traveled about 10,000 miles. We went into New York, Alabama, Illinois, Nebraska, Oklahoma, and into San Francisco and Los Angeles in California. We think, really, that we have some facts. We came back here to Washington to conclude our discussions with officials like yourself, who have made studies of this problem for years, as it has related to the work of your departments.

Secretary PERKINS. I would like to say, sir, that original studies in the Department of Labor were made by virtue of suggestions that came from labor commissioners of a number of States. They were being overwhelmed by some of the problems that came to them; migratory labor came into their States, and they had no way of regulating it, and did not know what to do about it.

We became aware that this problem was common along the whole Atlantic seaboard and this was even earlier than the time when the world became aware that the problem was acute in the western States and on the west coast. The migration from the Middle Western and Middle Southern States to the West was largely due to a specific cause, the drought; whereas, the migration in the Atlantic Seaboard States was largely local and was generally in the nature of following the crop.

I am sure you have had described to you the following of the potato crop and all that sort of thing. But that had been going on over a number of years in New York State, where I was industrial commissioner for a number of years before I became Secretary of Labor. We had, for a great many years, been dealing with it as a purely local problem. We were not aware of the fact that it affected any other part of the country and, in fact, a great deal of the migration was intrastate. It was the migration out of the cities, in what we call the upper tier, and the southern tier, also, into the vegetable-growing areas of the great black swamp area of New York where the land is so fertile and where they use it for market gardening, and into the cherry orchards. The people went out from the cities in the summertime to pick the cherries and other fruit.

This was rather an orderly migration out of New York City up to the farms along the Hudson River, in the berry and fruit season generally, which created migratory problems within the State. We had never been aware of it as anything except a local problem and tried to deal with it in that way.

Also, there has been for many years in New York State, going back 30 years or more, a law with relation to the handling of migratory labor when those groups were immigrants; that is, aliens. There was a great deal of exploitation of newly arrived immigrants, alien labor, at one time in New York State. Among your labor agencies, labor contractors, employment agencies, they were exploited and, in places, as you know, if you read some of the old magazine articles of 30 years ago, there was exploitation almost amounting to peonage; people being taken out to labor camps by a contractor or a padrone, as they were called, and really kept there, and unable to leave the camp, with no means of getting away until the job was done. And then often there were deductions made from their wages, so that when they got through with the job they found that they owed the camp all but perhaps the carfare back to the city.

That sort of thing, of course, required regulation, and laws were passed in New York State many years ago for the regulation of labor camps, immigrant labor camps, where the exploitation was of aliens, and also for the regulation and inspection of immigrant lodging houses, where another great form of exploitation had been found.

But this problem of migration from other States had not come to the surface at that time. We were not aware of it. But I think many of the same problems, in lesser degree, that afflicted those early immigrant groups in New York State can be found scattered all through this situation in lesser degree because of the fact that these people we are now dealing with are mostly native-born and speak English and, to a certain extent, know their rights and are not strangers in a strange land, so that this is not an entirely strange, new social and economic problem.

The thing that is strange about it is that we find native-born American citizens on the move in families rather than as individual migrants, which we have long been familiar with in the old groups of harvest hands who followed the crops.

The thing that is unique about this today is that you have family groups migrating. I suppose the automobile and rapid transportation have contributed to making that possible.

The decline of economic opportunities in certain areas has made it almost impossible for these families to remain settled. But I feel that we ought to regard some of this migration as a normal part of American life and not to be too startled by it.

Another aspect of labor settlement in the development of the country and in the development of economic opportunities has been the capacity of the American people to be very mobile. It is the mobility of labor that is commented on, for instance, by all European economists who write on the subject.

By contrast, in England, for instance, I have seen areas where the economic life had deteriorated. The coal vein was worked out. There would be no more coal mined there ever. And yet the people would not leave the valley and go somewhere else. It was that immobility of labor which created in itself a profound social and economic problem.

So that, if there are areas in this country which have ceased to be productive areas, it is desirable that people should leave those areas and they should leave those areas and find for themselves, or with direction and assistance from the Government, suitable places for settlement.

Migration, of course, relieves the pressure on the overpopulated areas and also meets the seasonal demands for labor in agriculture and in industry. We have to recognize that many industries, as well as agriculture, need a certain extra seasonal supply, and we have to recognize that if there is a proper regulation of this flow of people and a proper direction of it, so that it does not cause individual hardships, there is no objection to it.

Today, when we see the expansion of the defense program taking place, and the deliberate effort on the part of the Government to build up industrial centers in parts of the country which have not previously had much industrial life—partly for safety of the population and partly for the protection of the plant itself—we realize that it is necessary for people to be willing to pick up and go to those areas. We have had perhaps a little too much of it in some places. The people have arrived in advance of the works being prepared to receive them and to employ them.

That is, before the shipyards and the ways were erected, the people were pouring into Newport News, I understand. So that you had the arrival of prospective working populations before the work was ready for them.

FEDERAL INFORMATION SERVICE

What I think we need in that field is infinitely more direction on the part of the States and of the Federal Government. And I mean direction not in the sense of law or regulation, saying that you cannot go there, or you must go somewhere else, but direction in the form of information and advice as to where particular groups can best find resettlement and reemployment.

I think, myself, that one of the important aspects of this whole problem is one which is in no way part of the work of my Department, and about which I therefore have no first-hand information, but only information of an observer who views situations from the labor side; and that is with regard to resettlement.

RESETTLEMENT

I think a very large proportion of these people, who are the most distressed of the migratory groups, are people who both need and are desirous of resettlement. They want to be resettled somewhere. They do not wish to be migrant workers following a crop. They want a home and a base of operations.

Some of them may want to continue to work as agricultural workers part of the time, but they want above everything a settled home. And I do believe that there is opportunity in this country for the provision of resettlement of that sort under proper supervision.

I am greatly impressed with the opportunity which is now available to us to open up the lands which will be newly irrigated by these great dams and water-impounding projects—to open up those lands for resettlement. But I realize that that has to be done under the most cautious and careful circumstances, and not only has the Government itself got to make provision about the sale of lands to homesteaders, but it probably has to make provision for taking back those lands when any individual family fails to make a go of it. Otherwise they will fall into the hands of large operators, who will collect them, farm by farm, until they have a great tract of a thousand or three thousand acres which again will be operated as an industrial farm.

So that I think there will have to be some provision for taking those homestead allotments back from people who fail to make a go of it.

Also, I realize that not everyone can operate on irrigated land. It takes a specialized kind of farming and many of the people who are desirous of resettlement have no familiarity with the problems of farming on irrigated land. So we will have to expect the Department of Agriculture and the associated States agencies to take the lead in developing some instruction and information and even perhaps supervision, over a period of years, in regard to farming and farm operations for people newly settled on irrigated lands. Otherwise I doubt if a large proportion of them could make a success of it.

If we could do that, it would settle the problems of perhaps one-third of the people who are now migrants unwillingly, who need to be settled and want to be settled, and who will make first-class settlers and homesteaders, capable of operating a family farm in cooperation with others very successfully.

One is impressed, as I am sure you have been, with the rather extra good quality, physical and mental quality, of the type of people who are migrants today. They seem to be among the healthiest and most vigorous and most vital of the people of the United States.

I presume that there is something in the idea that the more vigorous people are the ones that get up and move rather than become reconciled to a low standard of living in a depressed area.

At any rate, they impress one as being people of vitality and people who, given an opportunity, would be rather certain to make good; so that it would be a very profitable investment for the future of the country to provide for the resettlement of a great many of them.

As you know, the migratory people who come into a community have to make all of the adjustment themselves. It is an expensive thing to migrate and the communities rarely make any of the adjustments for them. They are on their own. They have to look out for themselves. They are seldom covered by labor and social-security laws, and they do not get their share of the local social services, partly because of the attitudes of the community, which we can understand. A community is always fearful of the lowering of its own social-service standards. If they spread them out too thin, they are fearful of the lowering of those social-service standards, and often it is because the institutions, like the settlement laws themselves, are unfavorable to extending the coverage of social services to migratory or unsettled people.

PROTECTIVE LEGISLATION

They often work, as you know, in occupations that are exempted from all protective legislation. They are found also in very large numbers in some of the areas which themselves have a lack of labor laws or of social services even for their own residents.

The migrants, it seems to me, need this protection of legislation quite as much, if not more, than other groups, because they are frequently exposed to bad living conditions and bad working conditions, and because, as a shifting group, it is difficult for them to organize to protect themselves. They apparently suffer more illness and receive less medical care than even the lowest income groups of the settled population. And the sudden influx of large groups of workers and their families often taxes the resources of the local community and creates health hazards for the local residents. Also, it creates educational problems for the local residents.

It is undoubtedly true that if an epidemic breaks out in a camp, it can spread very rapidly, and it is likely to endanger the local communities. The resident populations themselves in many of these areas need broader coverage of labor laws and social-security laws. These residents, the people who live in these areas, work alongside these migrants and compete with them for jobs, so that whatever social services are made available on account of the migrants coming into a community will benefit the total population. That is true, particularly, of course, of such things as health and welfare and educational facilities, which are very necessary for the local population as well as for the migrants; also improved educational facilities which are needed by both.

I have seen, in a town that was near several of these migratory camps, the educational facilities pulled down, lowered, in ordered to accommodate these new people who crowded in. The taxes of the town had built up a good school system, which was just sufficient to supply their resident population. They had a system where they had 20 or 25 children to a classroom. With this influx of children coming in, uncounted, unknown, they were unprepared for them, and we found classes going up to 60 or 70 or 80 per teacher, which is, of course, not a sound educational standard. And the teachers, of course, were unable to deal effectively either with the migratory children or with the local children, the residential children.

An extension of aid in the way of educational facilities would have the effect not only of helping the migrants but of helping the local populations.

RECOMMENDATIONS

It seems to me that I ought to recommend at this time the extension of the coverage of labor and social-security laws, both State and Federal, to workers who are not now covered, specifically including workers in industrialized agriculture and in processing and packing agricultural products.

I want to emphasize industrialized agriculture because it is there that you have large-scale farming operations where the farm is carried on as it would be if it were a factory, as a matter of production of goods in a factory. And it is there that we have the most intense form of this problem, and that we have the opportunity to regulate it.

I am told that only 1 percent of the farms in the United States employ four or more laborers. This relatively small number of farms employs almost one-third of all the farm labor.

Where you have the industrialized type of farming you get the same problems arising that you do in industry. And the technique of using legislation as a method of establishing and creating certain standards seems to me to be suitable.

Where you have a farm operated by a farmer who works it himself, you have a very different situation. There you have a situation in which the working conditions of the farmer and his family are determined by the farmer himself and not by an employer. There, of course, his capacity and the quantity, quality, and price of products he is able to obtain from the land with his own labor will largely determine the degree of schooling and health opportunity which he is able to give his own children.

I think also I should recommend the extension and strengthening of the public employment services, particularly along the lines of an interstate farm placement service. When that is done real attention is given, not to meeting the temporary needs of the farmer by any means available, but to meeting these needs through an orderly and systematic method of handling the migratory laborers who want to go to work on farms for a season. This not only would meet the needs of farmers, through an orderly system, but would also make as much work as possible available to those who are in the class of laborers who follow the crop.

There is also at the present time a project being carried on by the public employment office in the Federal Security Agency, with special reference to developing industrial and construction placement service, particularly in connection with the national defense. This in itself, of course, will be of great assistance in handling the momentary acuteness of the migratory-labor problems, but will perhaps not be necessary on a permanent scale.

Then I think I should recommend that there be some regulation of labor contractors, both by State and Federal laws; by State laws, where possible, and by Federal laws to reinforce the State laws, where there is transporting of contract laborers across State lines.

Then I think there should be much stricter regulation of transportation facilities for migrants. And by this I do not mean special regulation of their travel in their own cars from place to place, except that those cars and their method of travel should, of course, meet whatever local laws there are. But I mean the transportation of migrants by trucks and busses in a sort of wholesale way under somebody's control. There have been accidents and there are serious hazards involved in that, and we should have some regulation of it.

Then I think we ought to recommend that there be a sound public housing program especially for migrants in agriculture. I think there should be recognition of the fact that there are two kinds of housing needed; the one, temporary housing, for those who come really only for a few brief weeks to harvest a crop, and then move on, and the other, housing which is intended to establish a nucleus of pretty well settled people who will work over a whole area on the crops of a great many different farmers.

There are two kinds of housing needed. But they should both be developed with a view to the public welfare. The temporary housing, and even temporary camp facilities, can be made good. There is no reason why they should be made bad.

I should like to recommend in the appropriation of Federal funds under titles V and VI of the Social Security Act that we extend to the States public-health, maternal, and child-health services to migrants. This is particularly necessary in the States that receive very large numbers of migratory workers.

There probably should be some immediate allocation of national-defense funds to meet the emergency health needs in areas where the defense projects are attracting a sudden influx of population way beyond the capacity of the existing public-health services to meet the needs of these newcomers.

Then I think one must recommend a movement toward a uniformity of settlement laws, both within each State and among the States, so that public assistance in the various States may be handled with regard to these migrants on a fair and reasonable basis.

There is, I understand, a great difference in the settlement laws among the States; that counties themselves have settlement laws, and that within a State these settlement laws are not uniform. This, of course, makes for the greatest confusion. It means, of course, that persons will try to establish themselves in a county of a State where the settlement law is generous rather than in a place where settlement is very restricted, thus creating a very large burden upon the particular communities that are the more generous.

That, of course, creates another problem. As you begin to get restrictive laws, and as the counties of the States cannot bear any longer the increased burden, I think we have to look forward to Federal and State cooperation in providing aid to localities. They, in turn, then may give public assistance where necessary to migrants in need of public assistance.

Then, with regard to education, I think we cannot in this country continue to endure a situation where we have inadequate school facilities for all of our children, whether their families find it necessary to move around as migrants or are settled in a high-standard community.

We cannot bear this unfairness of opportunity offered to young children. So I think we have to look forward to State and Federal aid, when necessary, in order to secure equal educational advantages and opportunity.

It is quite true that some of the States that are receiving these migratory families and their children are the least able under their tax systems to support, and to increase the support, of school facilities and extend them to these children.

Then, I think, there should be a continuing study of the regional resources and occupational outlook, with a special view to guiding the migration of families and of people who want to work or to settle in this country.

You may have heard of the beginning of studies of occupational outlook in the Department of Labor. It is always very discouraging to any committee of Congress when we report that, although we are doing this work, we will not be ready to make a prediction with regard to occupational outlook for 10 years. This is what the wisest heads who have dealt with trends of population think is the limit. We should not attempt to say what occupations or what industries are shrinking or extending on a narrow basis—that is, 1 year or 2 years or 3 years—because that does not really show you anything; their trends do not show themselves effectively in a short period of time. Only trends that you can plot over a 10-year period will give you any sound basis for a conclusion. The conclusions drawn in a shorter time would be useless as a basis for planning. It would be dangerous to use them to suggest the movement of populations.

I think that these studies should be continued, and that they should be a part of the scheme of things in developing assistance to stranded populations and in guiding migrants to suitable areas, either for agricultural or industrial employment, and in developing resettlement programs.

Then, of course, I think almost everyone who has appeared before you probably has recommended that there be a central agency set up to have some responsibility not only for taking the work that you will have done when you finish your report but also for taking all of the other work that has been done in the Government or outside of the Government and correlating it into a program of action.

We know that you will have discovered a great deal when you have finished your work and have made your report, and what the country will have learned by that, and what the country has learned, and what Government officials know from their own reports and studies is really considerable.

What we need at this time is to apply the knowledge we have. I have always observed that when you get people beginning to apply even a small amount of what they know to a particular problem, at once their comprehension of the situation becomes infinitely more realistic and less radical. And their treatment of the whole problem begins to be practical and realistic.

So I think what the committee ought to do is to recommend creation in some of the operating agencies of the Government a function in some bureau or division, whose duty it is not to examine and report alone but to apply or cause to be applied, through other agencies or through their own efforts some of the recommendations which will be made by your committee and have been made by others who have studied the subject. That, I think, is the most important part of it.

If we begin to apply only a small part of our present knowledge to this problem, we would find that a large part of the problem would dissolve as the knowledge of the people dealing with it became more realistic, and as the solution of one part of the problem—say the health problem, or the housing problem, or the settlement problem—became established other parts of it would fall away.

Of course, one cannot fail to observe that to a very considerable extent the acuteness of the problem today lies in the fact that we had climatic and agricultural disturbances which caused abandonment of certain parts of the country for agricultural purposes. At the same time we had the great economic depression, and that created instability of employment in industry. Those two things coming together have made the problem particularly acute, and if employment improves and industrial expansion goes forward, as is anticipated, in the next few years a large part of the problem of unemployed migrants will disappear—at least temporarily.

But I think one ought to point out that not all of the problem will disappear, and that the disappearance which does take place is not permanent. We must, therefore, consider the problem of permanent settlement of some of those people with relation to life on the land, and with relation to more permanent forms of industrial occupation. For instance, we know, if the war ends, or, if for any reason the defense program can be reduced, expansion such as the laying of ways at Newport News is going to be stopped 2, 3, or 5 years hence—whenever it may be. That will mean a large number of people at Newport News who came there as migrants, some from the land and some from industrial occupations, will again get in their cars and see what they can find elsewhere. I believe that through the coordinating of the problem in some agency—one of the operating departments of the Government—it would be as useful a thing as could be done. When there is some group of sworn officers of the Government responsible for this problem, not only for research but for action, then, I think, you will begin to see practical and realistic results.

That will conclude the recommendations I feel I ought to make at this time.

The CHAIRMAN. Madam Secretary, some of the Congressmen may want to ask some questions of you.

Mr. SPARKMAN. Madam Secretary, I have read your paper with much interest, and I have listened to your review of it with equal interest. I think you have made a very fine contribution to the record. There are a few things that I want to ask you something about. Probably a good part of it will be a rehashing of the statement you have already made, but one thing I noticed in your prepared statement—and you mentioned it in the beginning of your testimony this morning—was your reference to migration as an economic necessity. I wonder if you would enlarge on that a little and tell us just why you consider it an economic necessity?

MIGRATION—ECONOMIC NECESSITY

Secretary PERKINS. Well, say they find a new oil field, what would we do if nobody would go to some remote part of the country where they found it? How would we ever get the oil out? I mean it is both natural for people to go there, and is necessary, from the point of view of the economic development of the country.

What would we have done if working people had not been willing to go from their quite comfortable homes in the East and build railroads out across the mountains? I mean it was one of the economic necessities in the development of the West, wasn't it? You could not have had the West developed, otherwise, and the country would not be what it is today, and we would have a very different United States of America if there had not been a mobility and willingness of people to go into unsettled territory and into new enterprises.

The same thing happens in the opening of a new mine. The opening of mines of metals and coal has required the mobility of labor and the migration of families of people who are willing to work at new enterprises. It still is true, I think, as we find new resources and new raw materials which become important, and which we want to exploit. Today we are told there has been, for the last 10 years, the picking over of diggings of old gold and silver mines in Colorado and Nevada, because new metals—molybdenum, and things of that kind—have become important, and I think there is a great list of metals found only in small quantities in the slag or diggings that were abandoned, and large groups of people are going out to work those over. Now, it is necessary for the economic life of the country to have these metals; therefore it is economically necessary for people to be willing to go and get them.

We never can look at this problem of the migration of people to the great industrialized farm lands and this working of those farms on an industrialized basis, without feeling that it is so remote from our American conception of agriculture that it does not seem like a farm at all. It is like a factory. But we never can look at it and be asked to realize the horror of it without recognizing that the children in school—take the New York students—are eating spinach, they are eating carrots, oranges, grapefruit, and everything else that is good for their health and that gives them vitamins at a low price today because of those farms.

When I was a child, fresh spinach in the winter was unthinkable. I guess there was a little of it grown in the hothouse, but it was not on the market and people just did not eat it. They ate—what did they eat? They ate turnips, or beets, in the wintertime, or went without fresh vegetables and did not eat any. So much about vitamins. But today we know it is true that protective foods are raised on those great farms which make the supply of those protective foods available all over the country, so that a large proportion of our people are better fed today than they were a generation ago. And that is part of the economic result of the willingness of people to migrate and to work those crops.

Mr. SPARKMAN. Would not you say, also, it is an economic necessity, in a negative way; that is, in some instances, the particular locality in which they live may not offer them an opportunity, and they get out in order to better themselves?

Secretary PERKINS. Oh, yes, sir; that is very essential, of course. And I think the Department of Agriculture has always reminded me that the industrial workers of the cities have been, for generations, regularly recruited from people who grew up in farming areas where there was not enough agricultural opportunity to support all of the children born there, and today those areas have remained prosperous only because the young people went to the city to work.

Of course, I think we ought to recognize this, as Americans—that there is a certain amount of psychological relief, too, in this ability to move around. A great many people now—I do not mean just itchy-foot people—there is a great necessity for people of vitality, vigorous people, to get out of places of restricted opportunity into other places and make new homes for themselves according to their earning capacity and adaptability. I think to cut that off completely from American life and to develop a system where everybody had to stay where he was born and could not hope to find a job anywhere else would be about as unpleasant as anything that could develop.

Mr. SPARKMAN. In other words, the point is that migration itself is certainly not an evil?

Secretary PERKINS. No.

Mr. SPARKMAN. And is not something to be stopped?

Secretary PERKINS. That is my opinion.

Mr. SPARKMAN. But it is something——

Secretary PERKINS. To be regulated and directed.

Mr. SPARKMAN. To be controlled, and certainly to be understood?

Secretary PERKINS. Yes; and to be so handled as to make it possible for people who migrate to have social services and healthful surroundings.

Mr. SPARKMAN. You referred a minute ago to the fact that all of those people are not people with itchy feet, and I noticed, in your prepared statement, that you say migrants are among the most ambitious and enterprising of our people. Of course, you know a good many people look upon them as being made up almost entirely of that class of people simply with the urge to go, and a great many of them they consider as being simply loafers. You do not agree with that viewpoint?

Secretary PERKINS. Well, I suppose per thousand of population they have just about the same kind of characteristics that any other thousand of population of the United States would have. I recognize, too, among the students in college, among any thousand students, you will find a certain number of loafers, a certain number of unadjusted people, and a certain number that won't study at all. I guess it is about the same proportion.

Mr. SPARKMAN. In other words, you think they constitute a pretty fair cross-section of our population?

Secretary PERKINS. I think so. And certainly among them there must be some people who are merely loafers, some people who are merely restless, and some people who are a little overexcited, unadjusted, unadaptable people, but also a very large number of good, solid people who want to work.

Mr. SPARKMAN. Optimistic people who are seeking an opportunity?

Secretary PERKINS. Yes; but if you have any large number of people in a community where they are forced, by social circumstances, to live a degraded life, invariably that affects the community, and everybody stays down on that level.

Mr. SPARKMAN. You referred, too, in your statement, to its effect with respect to schools.

Secretary PERKINS. Yes.

Mr. SPARKMAN. And you think it would apply to conditions generally in the community?

Secretary PERKINS. Yes.

Mr. SPARKMAN. Health, housing, and living conditions?

Secretary PERKINS. It applies very much, too, as you always see, with regard to wages. If you can hire a man for a dollar a day, that tends to be the going price even for the native before long. I mean if there is a large group of people camping on the outskirts who are working for a dollar a day, then, before long, employers will be offering only a dollar a day to the people who have lived there all their lives and had received $3.50 a day. That is my observation. It tends to bring down the wage level for the native population, as well as other things, to the standard of the camps, and tends strongly to depress the health standard. I think that is one of the first things one notices—that when a large number of people live under unsanitary, unprotected conditions, you get, first, a loss of housing comfort and then a flu epidemic, and that is spread to the total population around. They cannot be protected against it. So, if you cannot take care of and protect the people who are in the most disadvantageous position, eventually it affects the whole body of the community.

Mr. Sparkman. You made reference to the disadvantage that migrants had with reference to social-security benefits. I wonder if you might specify to what extent, or some of those benefits that they do not enjoy?

Secretary Perkins. For instance, a great many of them work in the agricultural lines which are so largely exempt, as you know, from any of the social-security benefits and are so largely exempt from labor laws everywhere, the laws of every State of the Union, as well as the Federal labor law. And many of them work for employers who employ a very small number of persons and who, therefore, are exempt from the social-security laws. These people are without the cash benefits which are paid to unemployed industrial workers during periods of unemployment, and are without the building up of the old-age pensions which are gradually being built up by industrial workers all over the country. The only thing they have in the way of security is public assistance, and public assistance laws, as you know, usually exclude them from its benefits if they are not settled. They are really out at both ends and, being very largely occupied in enterprises not covered by the Social Security Act, or by the labor laws, they get neither the protection of the regulation of wages and hours, nor the regulation of working conditions, nor do they get the protection of unemployment insurance, or old-age insurance.

SETTLEMENT LAWS

Mr. Sparkman. You made some reference there to settlement laws and I notice, in your prepared statement, you referred to it, but I wondered what your recommendation was in regard to them. With reference to the settlement laws, some people advocate that they be made uniform; others advocate that they be eliminated completely. I wondered what your recommendation would be.

Secretary Perkins. Well, as I have thought of it, I think I have thought of it in the terms of a movement toward uniformity, which I think can only be brought about by cooperation and conference between the States and between the counties within the States.

First of all, of course, it is highly important that the counties within a State and the towns within a State should have uniform laws in regard to settlement, and then the States themselves should move toward uniformity.

I do not know whether you are familiar with the program that has been carried on under the auspices of the United States Department of Labor now for 7 years, and is still continuing—a program of conferences between the States here in Washington, annually, with regard to their labor legislation. It was out of one of those labor legislation conferences that this question of the labor aspects of migratory workers came sharply to our attention. These conferences have adopted standards of relatively uniform laws in regard to labor legislation. Not all of those have been adopted in the States and made law, but there is, for most of the subjects covered by labor legislation, a model bill, so to speak, drafted by the labor commissioners of the various States, together with the labor delegates appointed by the Governors. Our experts in the employ of the United States Department of Labor assisted them in drawing up model bills covering most of the subjects ordinarily covered by State legislation. And many of those have been adopted—at least bills along those lines, modified to meet the needs or habits of the particular State, are being introduced regularly in the State legislatures and are being heard before their committees, and sometimes are voted on and made into law; sometimes not. But at least those programs are beginning to be adopted today.

Now, I see no reason why there could not be almost the same thing in regard to settlement laws. There ought to be. Of course, the impetus ought to come from persons primarily concerned with public assistance, but it is so desirable that there should be uniform—or practically uniform—regulation in regard to assistance in all parts of the country, that I should believe there would be a ready response to it if anybody would take the lead.

Mr. Sparkman. Of course, as you know, the tendency in the last few years has been toward harsher settlement laws, rather than easier.

Secretary Perkins. Yes; I know.

Mr. Sparkman. Increasing the period of time and making it easier to lose citizenship in a State.

Secretary Perkins. That ought to be corrected, I think.

Mr. Sparkman. The suggestion has been made that if the Federal Government should participate in direct relief, then it might make such participation dependent upon some kind of uniform program of settlement laws. Do you think that might answer the question?

Secretary Perkins. I think that might answer. I think the Federal Government certainly should not do that unless there were some uniformity on the thing; it could not relieve one county because it had easy laws and all of the other counties dumped their unfortunate people into that county. We have seen that happen in some States that would regularly pay their way to some county where there was a large city that had developed rather reasonable care for migrants, or transients, as we used to call them.

Mr. Sparkman. I noticed your distinction between industrialized farming and farming by the family unit, and I agree with you most heartily in the distinction you made. And I think we must come more and more to recognize that distinction. As I understand, your recommendation would be for these various benefits to be made applicable to the employee, where the nature of his employment is that of an industrial employee.

Secretary Perkins. That is correct, sir.

Mr. Sparkman. But still you would leave the family-unit farm to operate very much as it is operating now?

Secretary Perkins. Yes. I think the problems of a family-unit farm have to be treated differently. I dare say there is the same equation of a standard and opportunity necessary for them; but I think the method of treatment under legislation would be quite different.

Mr. Sparkman. How do you think the most effective approach can be made toward eliminating the evils of child labor among migrants?

Secretary Perkins. I think, sir, only by legislation.

Mr. Sparkman. You referred, in your verbal statement, to a law that evidently you approve of, enacted by the New Jersey legislature in 1940. I wonder if you might tell us a little more about that?

Secretary Perkins. That is a law that is an attempt to regulate and abolish child labor on industrialized farms. I am not familiar with the details of that act at this moment, but I dare say we can give you a copy of the New Jersey law, if you would like to have it.

Mr. Sparkman. I was interested in your reference to it, and if a copy of it could be supplied without too much trouble, I would be very glad to have it.

Secretary Perkins. We will be very glad to supply that.

(Copy of the law was supplied and reads as follows:)

NEW JERSEY CHILD LABOR LAW

NEW JERSEY, 1940, NEW LAWS, PAGE 237 (REGULAR SESSION)

New Jersey

Chapter 153, Laws 1940

[Assembly Bill No. 174, Substitute A (Regular Session)]

AN ACT To limit and regulate child labor in this State; to provide for examinations and inspections under the provisions of this Act; to provide for the enforcement of this Act and regulations made thereunder; to prescribe penalties for the violation thereof; and to repeal other acts

Whereas The employment of minors in occupations or pursuits wherein they are subject to exploitation is contrary to public policy; and

Whereas, Such employment as will impede the progress of minors, prove a detriment to their health, or interfere with their education should be abolished in the State of New Jersey; and

Whereas The work of minors in occasional and nonrecurrent occupations when not required to attend school is not thus detrimental, nor will it, when properly supervised by parent or guardian, constitute such exploitation; therefore

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. As used in this Act:

(a) "Employment certificate" means a certificate granted by the issuing officer authorizing the employment of a child as permitted under this Act.

(b) "Age certificate" means a certificate issued for a person between the ages of eighteen and twenty-one years.

(c) "Issuing officer" means any superintendent of schools, supervising principal, or teacher in a school district who is designated by the Board of education in the district to issue certificates or permits in accordance with the provisions of this Act.

(d) "Agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section fifteen (g) of the Agricultural Marketing Act, as amended), the planting, transplanting, and care of trees and shrubs and plants, the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market, provided that such practices shall be performed in connection with the handling of agricultural or horticultural commodities the major portion of which have been produced upon the premises of an owning or leasing employer.

2. No minor under sixteen years of age shall be employed, permitted, or suffered to work in, about, or in connection with any gainful occupation at any time; provided, that minors between fourteen and sixteen years of age may be employed, permitted or suffered to work outside school hours and during school vacations but not in or for a factory or in any occupation otherwise prohibited by

law or by order or regulation made in pursuance of law; and provided, further, that minors under sixteen years of age may engage outside school hours and during school vacations in agricultural pursuits or in street trades as defined in this Act, in accordance with the provisions of section fifteen of this Act. Nothing in this Act shall be construed to apply to the work of a minor engaged in domestic service or agricultural pursuits performed outside of school hours or during school vacation in connection with the minor's own home and directly for his parent or legal guardian.

No minor under sixteen years of age not a resident of this State shall be employed, permitted, or suffered to work in any occupation or service whatsoever at any time during which the law of the State of his residence requires his attendance at school, or at any time during the hours when the public schools in the district in which employment in such occupations or services may be available are in session.

3. Except as provided in section fifteen and except for domestic service or messengers employed by communications companies subject to the supervision and control of the Federal Communications Commission, no minor under eighteen years of age shall be employed, permitted, or suffered to work in, about, or in connection with any gainful occupation more than six consecutive days in any one week, or more than forty hours in any one week, or more than eight hours in any one day, nor shall any minor under sixteen years of age be so employed, permitted, or suffered to work before seven o'clock in the morning or after six o'clock in the evening of any day; nor shall any minor between sixteen and eighteen years of age be so employed, permitted or suffered to work before six o'clock in the morning or after ten o'clock in the evening of any day; provided, that minors between fourteen and eighteen years of age may be employed in a concert or a theatrical performance up to eleven P. M.; and provided, further, that male minors between sixteen and eighteen years of age may be employed up until eleven P. M. during the regular school vacation seasons but not in or for a factory or in any occupation otherwise prohibited by law or by order or regulation made in pursuance of law. The combined hours of work and hours in school of children under sixteen employed outside school hours shall not exceed a total of eight per day.

4. No minor under eighteen years of age shall be employed or permitted to work for more than five hours continuously without an interval of at least thirty minutes for a lunch period, and no period of less than thirty minutes shall be deemed to interrupt a continuous period of work.

5. Every employer shall post and keep conspicuously posted in the establishment wherein any minor under eighteen is employed, permitted, or suffered to work a printed abstract of this Act and a list of the occupations prohibited to such minors, to be furnished by the Department of Labor, and a schedule of hours of labor which shall contain the name of each minor under eighteen, the maximum number of hours he shall be required or permitted to work during each day of the week, the total hours per week, the time of commencing and stopping work each day, and the time for the beginning and ending of the daily meal period. An employer may permit such minor to begin work after the time for beginning, and stop before the time for ending work stated in the schedule; but he shall not otherwise employ or permit him to work except as stated in the schedule. This schedule shall be on a form provided by the Department of Labor and shall remain the property of that department. Nothing in this section shall apply to the employment of minors in agricultural pursuits or in domestic service in private homes.

6. Every employer shall keep a record, in a form approved by the Department of Labor, which shall state the name, date of birth, and address of each person under nineteen years of age employed, the number of hours worked by said person on each day of the week, the hours of beginning and ending such work, the hours of beginning and ending meal periods, the amount of wages paid, and such other information as the Department shall by regulation require. Such record shall be kept on file for at least one year after the entry of the record and shall be open to the inspection of the Department of Labor, of attendance officers, and of police officers. Nothing in this section shall apply to the employment of minors in agricultural pursuits, or in domestic service in private homes.

7. Except as permitted under section fifteen, no minor under eighteen years of age shall be employed, permitted, or suffered to work in, about, or in connection with any gainful occupation, unless and until the person employing such minor shall procure and keep on file an employment certificate or special permit for such minor, issued by the issuing officer of the school district in which the child resides, or of the district in which the child has obtained a promise of employment if the child is a nonresident of the State; provided, htat no certificate or special permit shall be required for any child sixteen years of age or over employed in agricultural pursuits. Such certificate or special permit shall be issued in triplicate in such form and in accordance with such instructions as may be prescribed by the Commissioner of Education. The Commissioner of Education shall supply to the issuing officers all blank forms to be used in connection with the issuance of such certificates, and special permits as provided for in section fifteen.

Employment certificates shall be of two kinds, regular certificates permitting employment during school hours, and vacation certificates permitting employment during the school vacation and during the school term at such times as the public schools are not in session.

The original copy of the employment certificate shall be mailed by the issuing officer to the prospective employer of the minor for whom it is issued; a duplicate copy shall be mailed to the Department of Labor in Trenton as provided in section twelve, and a triplicate copy shall be kept in the files of the issuing officer. The issuing officer may refuse to grant a certificate, if in his judgment the best interests of the minor would be served by such refusal and he shall keep a record of such refusals, and the reasons therefor.

8. The issuing officer shall issue such certificates only upon the application in person of the minor desiring employment, and after having approved and filed the following papers:

(1) A promise of employment signed by the prospective employer or by someone duly authorized by him, setting forth the specific nature of the occupation in which he intends to employ such minor, the wage to be paid such minor, and the number of hours per day and days per week which said minor shall be employed.

(2) Evidence of age showing that the minor is of the age required by this Act, which evidence shall consist of one of the following proofs of age and shall be required in the order herein designated, as follows:

(a) A birth certificate or certified transcript thereof or a signed statement of the recorded date and place of birth issued by a registrar of vital statistics or other officer charged with the duty of recording births, or

(b) A baptismal certificate or attested transcript thereof showing the date and place of birth, and date and place of baptism of the minor, or

(c) Other documentary evidence of age satisfactory to the issuing officer. such as a bona fide contemporary record of the date and place of the minor's birth kept in the Bible in which the records of the births in the family of the minor are preserved, or a passport, showing the age of the minor, or a certificate of arrival in the United States, issued by the United States Immigration Office, showing the age of the minor, or a life insurance policy, provided that such other documentary evidence has been in existence at least one year prior to the time it is offered as evidence, and provided further that a school record of age or an affidavit of a parent or guardian or other written statement of age shall not be accepted, except as specified in paragraph (d) of this section.

(d) In the case none of the aforesaid proofs of age shall be obtainable and only in such case, the issuing officer may accept the school record or the school-census record of the age of the minor together with the sworn statement of a parent or guardian as to the age of the minor and also with a certificate signed by the physician authorized to sign the statements of physical fitness required by this section specifying what in his opinion is the physical age of the minor. Such certificates shall show the height and weight of the minor and other facts concerning his physical development which were revealed by such examination and upon which the opinion of the physician is based as to the physical age of the minor. If the school or school-census record of age is not obtainable, the sworn statement of the minor's parent or guardian, certifying to the name, date, and place of birth of the minor, together with a physician's certificate of age as hereinbefore specified, may be accepted as evidence of age. The issuing officer shall administer said sworn statement.

The issuing officer shall, in issuing a certificate for a minor, require the evidence of age specified in paragraph (a) of this section in preference to that specified in paragraphs (b), (c), and (d) of this section and shall not accept the evidence of age permitted by any subsequent paragraph unless he shall receive and file evidence that the evidence of age required by the preceding paragraph or paragraphs cannot be obtained.

(3) A statement of physical fitness, signed by a medical inspector employed by the applicable Board of Education, setting forth that such minor has been thoroughly examined by such medical inspector that he either is physically fit for employment in occupations permitted for persons under 18 years of age, or is physically fit to be employed under certain limitations, specified in the statement. If the statement of physical fitness is limited, the employment certificate issued thereon shall state clearly the limitations upon its use, and shall be valid only when used under the limitations so stated. The method of making such examinations shall be prescribed jointly by the Commissioner of Education and the State Department of Health.

(4) A school record signed by the principal of the school which the minor has last attended or by someone duly authorized by him, giving the full name, date of birth, grade last completed, and residence of the minor; provided, that in the case of a vacation certificate issued for work before or after school hours, such record shall also state that the child is a regular attendant at school, and in the opinion of the principal may perform such work without impairment of his progress in school, but such principal's statement shall not be required for the issuance of a vacation certificate for work during regular school vacations.

9. Upon request, it shall be the duty of the issuing officer to issue to any young person between the ages of eighteen and twenty-one years residing in his district and applying in person, who expresses a desire to enter employment, an age certificate upon presentation of the same proof of age as is required for the issuance of employment certificates under this Act. A young person between the said ages nonresident of the State may apply to the issuing authority of any district where such person states he intends to seek employment. The age certificate shall state the color, name, sex, date and place of birth, residence, color of hair and eyes, height, and distinguishing facial marks, if any, and the kind of proof of age submitted. All copies thereof shall be signed in person by the applicant in the presence of the said issuing officer in whose name it is issued.

Any employer before employing a minor may require him to produce an age certificate and sign his name for comparison with the signature on the certificate. If in his judgment the signature and characteristics of the child correspond with the signature and description in the certificate, the employer, on employing the child, may require and retain the certificate during the minor's employment and shall return it to the minor upon the termination of his employment.

10. An employment certificate shall state the name, sex, color, date and place of birth, residence, color of hair and eyes, height, weight, any distinguishing facial marks of the child—the employer's name, address and type of business, the occupation of the child, the kind of proof of age submitted, the grade completed, physician's approval, and the name and address of parent. Every such certificate shall be signed in the presence of the issuing officer by the child in whose name it is issued.

11. An employment or age certificate or special permit issued in accordance with this Act shall be conclusive evidence of the age of the minor for whom issued in any proceeding involving the employment of a minor under the child-labor or workmen's compensation law or any other labor law of the State, as to any act occurring subsequent to its issuance.

12. Every issuing officer issuing an employment or an age certificate or special permit shall send immediately to the Department of Labor at Trenton, a duplicate of the certificate or permit and the original papers upon which the certificate or special permit was granted. That department shall examine and promptly return to the issuing officer the said original papers and shall

keep on file the duplicate of said certificate or permit. Whenever there is reason to believe that an employment or an age certificate or special permit was improperly issued, the Commissioner of Labor shall notify the Commissioner of Education and the board of education of the school district in which the certificate was issued. The board of education of the school district may cancel any employment or any age certificate or special permit issued by it, and shall cancel the same when directed so to do by the Commissioner of Education. Whenever any employment certificate has been cancelled, the board of education cancelling the same shall immediately notify the Commissioner of Education, the Commissioner of Labor, and the person by whom the child is employed, of its action, and such employer shall immediately upon receiving notice forward the certificate to the board of education.

All birth certificates, baptismal certificates, passports, insurance policies, or other original papers submitted in proof of age shall be returned to the minor upon request after they have been returned to the issuing officer by the department of Labor and after the issuing officer has transcribed for his files information pertinent to the issuance of the certificates. The Commissioner of Labor and the issuing officer may destroy all employment and age certificates and special permits or copies thereof when the birth dates set forth in such certificates and special permits are more than twenty-one years before the date of destruction.

13. If a child within the ages for compulsory school attendance is employed in a school district other than that in which he lives, the issuing officer of the district in which the child lives shall immediately send a duplicate of the certificate, properly filled out and the address of the employer to the superintendent of schools of the county in which the child resides who shall thereupon send said duplicate to the superintendent of schools of the county in which the child is employed.

14. Every employer receiving an employment certificate shall within two days after termination of the employment return said certificate to the person issuing it. A new employment certificate shall not be issued for any minor except upon the presentation of a new promise of employment. An employment certificate shall be valid only for the employer for whom issued and for the occupation designated in the promise of employment. Said employer shall, during the period of the minor's employment, keep such certificate on file at the place of employment and accessible to any issuing officer and to any attendance officer, inspector, or other person authorized to enforce this Act. The failure of any employer to produce for inspection such employment certificate, or the presence of any minor under eighteen years of age in his place of work at any time other than that specified in the posted schedule of hours required by this Act, shall be prima facie evidence of the unlawful employment of the minor. The presence of any minor under eighteen years of age in any place of employment shall be prima facie evidence of the employment of such minor, except that the presence on any farm or place of agricultural pursuit of any such minor shall not constitute such prima facie evidence.

15. No boy under fourteen years of age and no girl under eighteen years of age may engage in any street trade, which term, for the purpose of this section, shall include the selling, offering for sale, soliciting for, collecting for, displaying, or distributing any articles, goods, merchandise, commercial service, posters, circulars, newspapers, or magazines or in blacking shoes on any street or other public place or from house to house. No child under twelve years of age may be employed in agricultural pursuits.

Whenever a child under sixteen years of age desires to work during such times as the schools of the district in which he resides are not in session in any street trade or in agricultural pursuits, the parent, guardian, or other person having the custody and control of the child may file with the issuing officer in the school district in which the child resides an application for a special permit authorizing such work. Such application shall show the exact character of the work the child is to do, and the hours and wages and special conditions under which said work is to be performed.

If upon investigation it is found that the facts set forth in the application are true and that the work will not interfere with the child's health or standing in school, the issuing officer shall, upon presentation to him of the same proof of age as is required for the issuance of an employment certificate, issue a special permit, allowing the child to work at such times as the public schools in the district are not in session, but such work except in agricultural pursuits to be otherwise subject to the maximum hours of labor provisions set for minor under sixteen years of age in Section three of this Act; provided, that nothing in this section shall prevent boys between twelve and fourteen years of age from delivering, soliciting, and collecting for newspapers and magazines over routes in residential neighborhoods at such times and under such conditions as are not prohibited in this Act and boys between fourteen and sixteen years of age from delivering and selling newspapers and magazines between the hours of five-thirty o'clock in the morning and six o'clock in the evening of any day; and provided further, that children engaged in agricultural pursuits may be employed no more than ten hours per day.

Such special permit shall show the name, address, and date of birth of the minor for whom it is issued, the kind of proof of age submitted, the nature of the occupation in which the minor is to engage, and such other information as the Commissioner of Education may require.

Any such special permit for work in agriculture shall be issue for a period not to exceed six months and shall show its date of expiration. Any person employing a minor under sixteen years of age in agriculture shall obtain such a certificate from the minor and keep it on file during the period of the minor's employment and shall return it to the minor to whom it is issued upon termination of his employment.

16. No fees or expenses incurred in obtaining any certificates under this Act shall be charged to or paid by any child, parent, guardian, or other person having custody or control of such a child for any service had under this Act.

17. No minor under sixteen years of age shall be employed, permitted, or suffered to work in, about, or in connection with power-driven machinery.

No minor under eighteen years of age shall be employed, permitted, or suffered to work, in, about, or in connection with the following:

The manufacture or packing of paints, colors, white lead, or red lead.

The handling of dangerous or poisonous acids or dyes.

Injurious quantities of toxic or noxious dust, gases, vapors, or fumes.

Work involving exposure to benzol or any benzol compound which is volatile or which can penetrate the skin.

The manufacture, transportation, or use of explosives or highly inflammable substances.

Oiling, wiping, or cleaning machinery in motion or assisting therein.

Operation or helping in the operation of power-driven woodworking machinery; provided, that apprentices operating under conditions of bona fide apprenticeship may operate such machines under competent instruction and supervision.

Grinding, abrasive, polishing, or buffing machines, provided that apprentices operating under conditions of bona fide apprenticeship may grind their own tools.

Punch presses or stamping machines if the clearance between the ram and the dye or the stripper exceeds one-fourth inch.

Cutting machines having a guillotine action.

Corrugating, crimping, or embossing machines.

Paper lace machines.

Dough brakes or mixing machines in bakeries or cracker machinery.

Calendar rolls or mixing rolls in rubber manufacturing.

Centrifugal extractors, or mangles in laundries or dry-cleaning establishments.

Ore-reduction works, smelters, hot rolling mills, furnaces, foundries, forging shops, or any other place in which the heating, melting, or heat treatment of metals is carried on.

Mines or quarries.

Steam boilers carrying a pressure in excess of fifteen pounds.

Construction work of any kind.

Fabrication or assembly of ships.

Operation or repair of elevators or other hoisting apparatus.

No minor under eighteen years of age shall be employed, permitted, or suffered to work in, about, or in connection with any establishment where alcoholic liquors are distilled, rectified, compounded, brewed, manufactured, bottled, or are sold for consumption on the premises, or in a public bowling alley, or in a pool or billiard room. No girl under the age of eighteen years shall be employed, permitted, or suffered to work as a messenger in the distribution or delivery of goods or messages for any person, firm, or corporation engaged in the business of transmitting or delivering goods or messages.

No minor under eighteen years of age shall be employed, permitted, or suffered to work in any place of employment, or at any occupation hazardous or injurious to the life, health, safety, or welfare of such minor, as such occupation shall, from time to time, be determined and declared by the Commissioner of Labor to be hazardous or injurious to the life, health, safety, or welfare of such minors, after a public hearing thereon and after such notice as the commissioner may by regulation prescribe.

Nothing in this section shall be deemed to apply to the work done by pupils in public and private schools of New Jersey under the supervision and instruction of officers or teachers of the schools.

18. It shall be the duty of the Department of Labor and its inspectors and agents, acting under the Commissioner of Labor, to enforce the provisions of this Act, to make complaints against persons violating its provisions, and to prosecute violations of the same. The Commissioner of Labor and any inspector or other authorized person acting under him, attendance officers and other persons employed by law to compel the attendance of children at school, and officers and agents of any duly incorporated society for the protection of children from cruelty and neglect, shall have authority to enter and inspect at any time any place or establishment covered by this Act, and to have access to employment or age certificates or special permits kept on file by the employers and such other records as may aid in the enforcement of this Act.

19. Whoever employs or permits or suffers any minor to be employed or to work in violation of this Act, or of any order or ruling issued under the provisions of this Act, or obstructs the Department of Labor, its officers or agents, or any other person authorized to inspect places of employment under this Act, and whoever, having under his control or custody any minor, permits or suffers him to be employed or to work in violation of this Act, shall be guilty of a misdemeanor and shall be punished by a fine of not less than twenty-five dollars ($25.00) nor more than five hundred dollars ($500 00), or by imprisonment of not less than ten nor more than ninety days, or by both such fine and imprisonment. Each day during which any violation of this Act continues shall constitute a separate and distinct offense, and the employment of any minor in violation of the Act shall with respect to each minor so employed, constitute a separate and distinct offense.

20. If any provisions of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provisions to other persons or circumstances shall not be affected thereby.

21. The provisions of article two, chapter two, of Title 34, Revised Statutes, and of Sections 18:14–15 to 18:14–33, inclusive, of the Revised Statutes, are hereby repealed.

22. This Act shall take effect September first, one thousand nine hundred and forty.

Approved, June 25, 1940.

NEW JERSEY, 1940, NEW LAWS, PAGE 235 (P. 234—IN BLANK) (REGULAR SESSION)

NEW JERSEY CHAPTER 154, LAWS 1940

[Assembly Bill No. 174, Substitute B (Regular Session)]

AN ACT Relating to the public schools of this State, and amending Sections 18:14–14, 18:14–34, 18. 14–35, and 18:14–49, and repealing Section 18:14–38 of the revised Statutes

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. Section 18:14-14 of the Revised Statutes is hereby amended to read as follows:

18:14–14. Every parent, guardian, or other person having custody and control of a child between the ages of seven and sixteen years shall cause such child regularly to attend the public schools of the district or a day school in which there is given instruction equivalent to that provided in the public schools for children of similar grades and attainments or to receive equivalent instruction elsewhere than at school.

Such regular attendance shall be during all the days and hours that the public schools are in session in the school district, unless it is shown to the satisfaction of the board of education of the school district that the mental condition of the child is such that he cannot benefit from instruction in the school or that the bodily condition of the child is such as to prevent his attendance at school.

2. Section 18:14-34 of the Revised Statutes is hereby amended to read as follows:

18:14-34. Any child between the ages of seven and sixteen years who shall repeatedly be absent from school, and any child found away from school during school hours whose parent, guardian, or other person having charge and control of the child is unable to cause him to attend school and any pupil who is incorrigible, actually vagrant, vicious, or immoral in conduct, shall be deemed to be a juvenile disorderly person or a juvenile-delinquent and shall be proceeded against as such.

3. Section 18:14-35 of the Revised Statutes is hereby amended to read as follows:

18:14-35. Any attendance officer who shall find any child between seven and sixteen years of age who is a truant from school, shall take the child and deliver him to the parent, guardian, or other person having charge and control of the child, or to the teacher of the school which such child is lawfully required to attend.

4. Section 18:14-38 of the Revised Statutes is hereby repealed.

5. Section 18:14-49 of the Revised Statutes is hereby amended to read as follows:

18:14-49. The Commissioner of Education and the Commissioner of Labor may grant employment certificates to pupils over fourteen years of age who study part time in grammar or high school grades or in vocational schools established under Sections 18:15-27 to 18:15-58 of this Title, to work part time in factories, workshops, mills, and all places where the manufacture of goods is carried on designated by the board of education, which employment shall be considered as a part of the schooling of such children.

The Commissioner of Education or the Commissioner of Labor may revoke the certificate at any time without assigning cause.

6. This Act shall take effect September first, one thousand nine hundred and forty.

Approved, June 25, 1940.

TESTIMONY OF HON. FRANCES PERKINS—Resumed

REGULATION OF LABOR CONTRACTORS

Mr. Sparkman. You also deal with the problem of controlling labor contractors who recruit migratory labor. How do you think that best can be dealt with?

Secretary Perkins. Well, I think, sir, in the first place, that they should be licensed by the States and that their operations in interstate commerce, if they have any—that is, if they send people across State lines—should be subject to some supervision by the Federal Government. That is, licenses within a State to do this business might well be recognized by the Federal Government as a license to take them across State lines. I think they should be recognized and brought under the supervision of some particular agency in the State. Rules and regulations under which they operate should be drawn up in a State to meet the particular problems which they have in that State.

For instance, there are some cases where the problem is one of almost holding a man in peonage, and such rules would have to be made in some States as to those cases, that employers must pay the persons regularly once a week, or once every 2 weeks. That is necessary, since you have always to combat that evil of holding back the pay until the job is over, because of the tendency toward peonage. I speak with some feeling on this, because we had just this situation in New York State.

You must also provide for camping, and for living quarters if they are permanent; there must be rules and regulations about the running of the camp, sanitary regulations, and some regulation about the rate charged for the board and lodging of migrants in these camps. Also there should be some regulations about deducting from their wages to pay for this. All sorts of rules like that need to be made. And, of course, they have the bad practice of charging people for getting them jobs. You see, a percentage of the wages goes to the contractor. That has to be broken up by regulation, too. I mean in different States they have different problems, and the rules must be different, but I think the first step toward solution would be the licensing by a particular agency which the States sets up to make rules and regulations, and then the enforcement of those rules and regulations by that agency.

Mr. SPARKMAN. Madam Secretary, you realize, of course, it is our duty, upon the conclusion of our hearings, to make a report and recommendations to the Congress for Federal legislation. Of course, a good many of the things you have mentioned are matters exclusively within the jurisdiction of the respective States. In what way can the Federal Government participate in such a program as you have mentioned?

EXTENSION OF SOCIAL LEGISLATION

Secretary PERKINS. First, it seems to me by extending the Wage and Hour Act to cover workers on industrialized farms. At once, you see, it would bring a minimum wage into operation. That would perhaps do more than any other one thing to discourage the use of child labor on these industrialized farms, because it is not profitable to employ a child if you have to pay him the minimum wage. He does not produce enough to make that a profitable arrangement. So that in itself would be a considerable contribution toward raising the standards on industrialized farms and making for better income for migratory workers.

Then there might be an extension of the Social Security Act to migratory workers; and the extension of titles V and VI of the Social Security Act—that is the public health services and maternal and child-welfare service—with appropriations from the Federal Government to at least enable the States to carry on those extended social services. Those things would be, I think, primary among things which the Congress of the United States should do from the labor end of it.

RESETTLEMENT

Then, of course, there is the resettlement program of the Department of Agriculture, which, I think, needs only from the Congress a still further reenforcement by appropriations. In other words, they now function, but they do not have adequate appropriations to do all that they might do in the way of providing both temporary, and more or less permanent, housing and settlement for migratory workers.

The Federal Government must take the responsibility for developing the proper use of those lands newly irrigated by great public-works projects for which the Government has been responsible. There, I think, we must watch the situation closely, and Congress perhaps could provide by law for some appropriate agency to see to it that those homestead lots, when given to, or purchased by, or leased to settlers who are among the migrant class today, do not fall back into the hands of industrialized farmers operating industrialized farms on a great scale. But that, I think, would take an act of Congress.

These seem to me to be among the most important things that Congress can do, as well as to set up in some operating agency of the Federal Government the responsibility for the application and further development of these principles so far as migrants are concerned. I do not suggest that that be in the Department of Labor, sir.

CHILD LABOR

Mr. SPARKMAN. Now, you make reference to the elimination of child labor in industrialized farming and the application of wages and hours. A few minutes ago you stated that the migration today consisted very largely of families. I just wonder what your reaction to this kind of a situation would be: Back in the latter part of July this committee went up through New Jersey and we stopped at one particular farm and I remember seeing a Negro woman with three or four children, living as a family unit, harvesting potatoes. And those young children—7, 8, or 9 years old—seemed rather boastful of the fact that they could pick potatoes. They all picked together, picked into the same bag or barrel or whatever it was. Now I wonder just what the distinction is between a family working together that way, as a single unit, and working on their own farm?

Secretary PERKINS. Well, there is a considerable distinction, really.

Mr. SPARKMAN. May I say I mean to limit it so far as child labor is concerned? I realize the other health and living conditions.

Secretary PERKINS. Yes. It seems to me there is a considerable difference there; because, in the first place, a family operating on its own farm operates over the whole period of the year, and, if they are responsible, provides for their keeping up to the general level of the culture of the community. Such a family responds to the idea that they should send their children to school and they should take proper care of their health, send them to a doctor and have them regularly examined; and it responds to the idea that they should send them to church and to Sunday school. I mean that all of the community culture operates to keep up the level of that family, and the natural instincts of members of the family are to help each other out so that the child who is not well, or is underdeveloped, has the help of all of the rest of the family—not only in doing his work but in maintaining his social and health standards.

When you get a family moving around in migration, you have the drive of the employer on them all of the time to get more potatoes, more potatoes, and more potatoes. That family is not living in a community where there is any cultural level, or any social pressure to help them keep up their own standards of educating their children, keeping their children in health, keeping their children on the general local level of the community. In other words, they are just a part of the herd; they are no longer citizens living in their own home, and responsible to, and participating in, the cultural-raising activities of the community. So the temptation to exploit the children is infinitely greater. In fact, it makes their battle harder and they are not inspired by the economic nature of the family. That is where I think you are likely to find this pressure very great.

And, of course, the work of the migrant children is not building up the family farm, but is creating profit for a commercial employer who gets very cheap labor by getting their work, and who might just as well be employing able-bodied men, adult persons, instead of these young children.

CENTRAL AGENCY ON MIGRATION

Mr. Sparkman. Let me ask one more question, and I am through. Madam Secretary, in your prepared statement, you recommend that there be set up some sort of central coordinating agency empowered both to study and to act upon these various problems. I wonder if you might develop that thought a little further?

Secretary Perkins. I would not feel free to say in what department of the Government it should be placed, but I think it should be placed in one department of the Government, or in one operating agency. By that I mean an agency that administers and that has its agents sent out over the country. It should be one that is accustomed to administering activities, rather than a research agency. I think the problem should be studied by that agency, and I think it should not only make a study and exploration of this subject of migrant labor, but that it should be its duty to put into action or into effect such part of the recommendations that have been made to it as the agency may think wise and in the public interest to put into effect. Insofar as it applies to the status of the migratory worker in relation to the wage-and-hour law, the administration of that, I think, should be through the regular agency, or the Wage and Hour Division of the Department of Labor. So far as it relates to social security, unemployment insurance, old-age insurance, placement, and so forth, that work should be done through the Social Security agency. The administration should be in the hands of the appropriate agency; but there should be some agency of the Government, or some particular division of the Government, whose duty it should be to see that this planning and extension work is properly done, and that the application of such recommendations and such knowledge as we now have is made in a systematic way, and that new information and new recommendations be brought before Congress for legislation, if necessary, or brought to the attention of the cooperative agencies, where they can carry them out through their own administrative organization.

HOUSING

Mr. Osmers. Madam Secretary, I have been very much interested in your answers to many of these questions. When the committee was out in California, we found that there were two schools of thought in that State, particularly with respect to housing. In the case of housing for workers that were employed on large farms, one school of thought felt that the grower should provide for the housing, while the other school of thought felt that it was the Government's job, because the Government would do a better job of it. Of course, we found that generally the Government camps were operated on a much more lavish scale than those provided through private capital. Do you have any opinion you care to express on that subject?

Secretary **Perkins**. Well, I think that problem is somewhat mixed, and I suppose my answer to it will be somewhat mixed. You have two or three kinds of problems involved there.

Mr. **Osmers**. I will put it this way: Let us take the housing where the worker lives while he is working.

Secretary **Perkins**. As I see the situation there, and as I have examined the housing facilities on the farms, that is where the particular farm maintains a place for everybody to live; and then there are the casual camps, which are either just squatters' camps, or some that are built up as tourist camps. They are rather low-grade tourist camps, and then there are Government camps. There are, as I see it, four types of provision made for these migrant workers in California. Some of the housing on the farms is very good, and some of it indifferent, and it seems to me that it would be most unlikely that any farm would ever provide housing for all the workers at all times of the year.

They provide, on the whole, pretty good housing for those workers who are regularly attached to the farm or who work for 8 months in the year on the farm. They are a practically permanent staff on the farm. Those men work regularly on the farm, some of them all the time, and they are on a practically permanent staff. Those people have fairly good houses. The housing there is not bad enough to be disturbed about, but I do not believe that it would be natural for any farm to provide housing for people who work for 2 or 3 weeks during a particular peak of rush crops. They gather tomatoes on a farm, for instance, in a week or less than a week, and they employ a great many people during that week or two. Then they do not employ them any more, and those people move on to another place. They do not know who will employ them next week. In other words, when the tomatoes are ripe they must be picked. That is when they want people to pick tomatoes and that is when they come in, and it is most unlikely that they would provide housing for people who work for them only 1 week.

Then the family must have a wide range in order to make a living and a reasonably high daily wage. They have to have a wide range in which to circulate, in order to pick up enough money out of this kind of work to make a living. There, I think, we will probably require some kind of centralized housing. Everybody recognizes that the squatter camps are most unsuitable and undesirable, and the low-grade tourist camps are not much better. In some cases they are quite expensive, but the wages of the migrant worker being what they are, he can hardly afford the lowest grade of provision developed in tourist camps. Therefore, some sort of cooperative-housing camp facilities seem to me to be desirable.

I should not have said that the facilities I saw in the Government camps could be covered under the word "elaborate." I think they were the simplest I had ever seen. They were the simplest and yet decent. If they did not have somewhat careful provision for water and sanitary facilities, they would be most simple. The water and sanitary facilities were the only part of the development that could be said to be elaborate. Except for the water supply and sanitary facilities, they would represent the roughest kind or the simplest conditions in a place to live. It was simply providing for some of the social facilities that cost practically nothing. It does not provide anything in that connection except, perhaps, a shed where the people may play a banjo and have some entertainment.

Mr. Osmers. I think that by comparison you might class them as elaborate. We have not come down to the solution of it. From my examination of the problem, it seems to me that if the grower cannot afford to build the necessary housing on his own farm for his own workers—although, I understand, in California, through rotation, it is possible to extend the season of work considerably—but if it is not possible for private growers to provide houses for their workers, I hardly see how the Federal Government would be able to build camps on each one of those large industrialized farms.

Secretary Perkins. No, sir; not on farms, or on each farm, because one farm does not need enough workers for that.

Mr. Osmers. What would your suggestion be?

Secretary Perkins. What I would like to suggest is that I do not think it likely that it would be done in that way. I think that the industrialized farms, that want a large supply of migratory labor available when the peak of the crop season comes, should combine and on a cooperative basis build cooperative camps on public property. The camps should not be privately owned, but the farm owners should be required to pay the cost of maintenance, and the people should live in them like citizens of the community.

Mr. Osmers. Who would pay for the construction of the camp?

Secretary Perkins. I think the people who own the property or the industrialized farms. I think that would be a desirable thing.

Mr. Osmers. As one member of the committee, I saw enough evidence of grower-owned camps in California to feel that that type of farm must require a considerable amount of money for the construction of housing. Of course, whether the growers operate them as a group or singly, they would still be grower camps.

Secretary Perkins. If the family is living on the land or property of a particular grower, certainly he has the first call on their time, and they would be apt to find themselves somewhat handicapped in finding other employment.

Mr. Osmers. There is one thing that enters very prominently into this, and that is the problem of distance. If you take a 5,000-acre operation—and that is not unusual in California—you have the distance problem. Those large farms, of course, are the ones that require the largest amount of labor. You have there the distance problem from the central part of the farm to the edge of the farm, and that might increase the cost of labor because of the transportation cost involved. However, getting away from that for a moment, would you care to hazard a guess as to the probable migrant problem when the national-defense program is over or when peace arrives?

Secretary Perkins. I would not hazard a guess as to what it would be. We feel now that for the next 2 or 3 years the migrant problem will be less acute because the younger members of the families of migrants are apparently finding work in the industrial plants.

Mr. OSMERS. Would you agree with the statement that at the conclusion of the defense program we will probably face one of the worst depressions we have ever seen?

Secretary PERKINS. No; I would not want to say that. I do not see any evidence of that. I think that is a pessimistic and defeatist attitude to take. There are all kinds of things that might happen to prevent that.

Mr. OSMERS. I wish I knew that.

Secretary PERKINS. I will give some testimony on that later in the year. We are making some preliminary studies in the Department of Labor on this problem, trying to develop all that is known about industrial management, development, and cooperation, the use of public works, methods of distributing labor, and so forth.

Mr. OSMERS. This is the time to do that.

Secretary PERKINS. We are studying that now, because we are not under pressure. Nobody wants the answer tomorrow.

EXTENSION OF WAGE-AND-HOUR LAW TO FARM LABOR

Mr. CURTIS. Madam Secretary, I want to make an inquiry with reference to the extension of the wage-and-hour law and other benefits to the workers in industrialized agriculture. Can you tell us about how many individuals are so employed?

Secretary PERKINS. In agriculture?

Mr. CURTIS. In industrialized agriculture.

Secretary PERKINS. I think there are about three million. There are, according to figures compiled by the Census of Agriculture, and I have them only second-hand, about 63,000 farms in the country which employ 4 or more laborers; 181,000 farms employ 2 or 3 laborers; 723,000 farms employ 1 laborer, and 5,800,000 farms employ nobody, showing that the great bulk of the farms are individual family-operated units, while the largest number of laborers are employed on farms that employ 1 laborer each.

Mr. CURTIS. What would be a rough definition of an industrialized farm?

Secretary PERKINS. If I were going to draw an act covering that, I think I would probably say you would have to draw the line at four or more laborers employed. It is hard to say just where the line should be drawn.

Mr. CURTIS. A small wheat farm on the Great Plains might employ more than 4 people for 3 or 4 weeks in the year; would that be an industrialized farm?

Secretary PERKINS. No; I would say 4 or more persons regularly employed, or employed for at least 6 or 8 months in the year.

Mr. CURTIS. That would affect about 3,000,000 people, you say?

Secretary PERKINS. It might.

Mr. CURTIS. Do you know the total number of individuals who constitute a family on that type of farm?

Secretary PERKINS. No, sir. I know there are 5,800,000 farms that employ no labor.

Mr. CURTIS. Perhaps, with the average number in a family, it would affect 30,000,000 people. Assuming an average of 2 children in each farm family, it would be 30,000,000 people. Now, the question I was about to ask—and I do not want to be unfair in withholding anything that might be provided for any particular group—but upon what social criterion would you extend the wage-and-hour provision or any other factors of security to 3,000,000 hired men, and not extend it to a group of, perhaps, 25,000,000 or 30,000,000 people who toil regular hours the year around on the family type of farm?

Secretary PERKINS. Well, the man who works on his own farm is not an employee, even if he is not an employer.

Mr. CURTIS. That may be so, but in our price structure in arriving at the value of farm products, that situation prevails.

Secretary PERKINS. You mean that they work long hours and receive a small income?

Mr. CURTIS. Yes; they work long hours and receive a small income.

Secretary PERKINS. Yes; and a good many who own stores work long hours and get a small income out of them. I know almost nothing about the price structure in agriculture, so I do not think I could ever give an answer to the question; but I realize the impracticability of determining the hours a man shall work on his own farm or shall work in his own store. I do not see how that could be done.

Socially speaking, he has certain opportunities and satisfactions that the man who is working for an employer does not have. Presumably, he enjoys opportunities for the initiative in private enterprise that the employee does not have. On the farm, he has his own land and tools, his own cattle, and his own labor, and can make free use of his ingenuity. Some of them, of course, make good, and I suppose there are many other factors that enter into that, but those in themselves, it seems to me, are determining factors.

Of course, the man who is working with his own labor and property is at a competitive disadvantage today because of the greater efficiency of operation on the industrialized farm. The fact that they can put a crop on the market in quantities and at prices which the man who is working for himself, with his limited capital, cannot do, places the latter at a competitive disadvantage. He is always at a competitive disadvantage in selling his crop. To a certain extent, perhaps, legislation extending social advantages to people who work on the industrialized farms would serve to balance a part of that competitive disadvantage which he has to meet, making it possible for him to market at a cost comparable to the cost of production under the other industrialized operation.

Mr. CURTIS. I am inclined to feel that you have there an answer of considerable merit. I can very well see how you could not apply the wage-and-hour provision to the man who is running his own farm; but here is the position the United States Congress is placed in: These are measures under which the Government is protecting, in the matter of wages, hours, and other things, 3 million people, while, at the same time, we are neglecting a group engaged in the same kind of activity comprising 30 million people.

Secretary PERKINS. I would like to say that I do not for one moment think we should include individual farm owners and operators in those benefits. It has been the custom of the country to solve its problems piecemeal. We take a problem and apply what information we have to the solution of that problem, and then let the other problem involved find another solution in some other way. I do not believe you can solve the problem of the one-family farm, with that of low prices, by applying to it the Wage and Hour Act, nor do I think you can help its solution by not applying to the industrialized farm the benefits of that act. It seems to me that it will be worth while to start with some part of the problem by applying this type of legislation.

Mr. Curtis. In our American way of thinking we have arrived at the point where we think that if one labors a given number of hours a day, then he is entitled to a fair American price. Now, if the farm laborer, or the farmer himself, labors long hours for months, and brings the fruits of his labor to market, we have not yet asked the question, "How much is this individual entitled to because of the time and labor he has put into it?"

COOPERATIVE HOUSING DEVELOPMENTS

Secretary **Perkins.** I do not know how to answer that question. May I make this statement: One of my clerks has just handed me a note in which it is stated that some people have gained the impression or the idea that I think that we should provide housing developments on private farms, or that that would be a desirable way of solving the housing problem in California. I do not wish to be so recorded or understood. I think it would be desirable for the owners of these industrially operated farms to pay the cost of building the housing, and I hope I made myself clear that I think they should pay the cost of building it. It would be an economic advantage to them to have the housing. The housing should be built. I think, under community supervision.

The housing should be located on land not owned by the private farms but in towns, and not connected with any one farm. The towns should have supervision, or this housing should have such supervision as any other part of the town or village. In other words, this housing should be erected by a group of industrialized farms and not by a single farm. It should be a part of a village and not a part of a farm. I presume that the State, by the taxation of these private farms, would provide funds for the necessary housing. That money could be made available to them, and they could see that proper housing was provided. Other housing could be provided through the Farm Security Administration, and I think that work should be extended at the present time rather than curtailed. I want to make myself clear on this point, because I would not want to see set up at this time any farm-company towns, or any company towns, only to find them translated into agricultural use.

Mr. Osmers. From my experience in New Jersey, where we have had some very bad conditions with respect to grower camps, the solution that has been working has been to require the growers to meet certain standards set up by the State department of labor and the State department of health. That has gradually been the approach to the solution of the problem. In New Jersey the time of employment occurs more or less in the summer school-vacation period, which makes a great deal of difference in the problem.

Secretary **Perkins.** Your migration is heaviest in midsummer.

Mr. Osmers. Yes; during that period when the schools are not in session.

The Chairman. On behalf of the committee, Madam Secretary, we want to thank you. You have contributed a very valuable statement to our discussions, and I am sure it will be very helpful to the committee when we come to make our report.

Secretary Perkins. Thank you very much for giving me the opportunity to appear.

The Chairman. The prepared statement you have submitted to the committee will appear in the record.

The Chairman. The next witness is Colonel Fleming.

Colonel, will you please give your full name?

TESTIMONY OF COL. PHILIP B. FLEMING, ADMINISTRATOR, WAGE AND HOUR DIVISION, DEPARTMENT OF LABOR

Colonel Fleming. I am Col. Philip B. Fleming.

The Chairman. What is your official position?

Colonel Fleming. Administrator of the Wage and Hour Division.

The Chairman. That is not a very easy job, is it, Colonel?

Colonel Fleming. It is a very interesting and very trying job.

The Chairman. The committee will be very glad to have a statement from you, Colonel, in reference to the subject we have under consideration.

STATEMENT OF COL. PHILIP B. FLEMING, ADMINISTRATOR OF THE WAGE AND HOUR DIVISION

The Fair Labor Standards Act in Relation to Interstate Migration

Mr. Chairman and gentlemen of the committee. I am appearing before you today at your invitation to discuss briefly the Fair Labor Standards Act in relation to the migration of industrial and agricultural workers across State lines.

My remarks today will be a summary of a more extended factual statement of the problems involved, and I have a copy of this statement available if you care to have it included in the record of your proceedings.

This statement reviews some of the more evident effects that the Fair Labor Standards Act has had upon the migration of labor; it explains various exemptions in the act which have a bearing upon the migration problem; and it discusses several aspects of the possible extension of minimum-wage and maximum-hour legislation to the type of employment in which migratory workers constitute a substantial portion of the labor supply.

It should be emphasized that any conclusions which have been reached or suggestions that are made at this time are tentative. Our information on these problems and our experience in dealing with them grow constantly, and it is possible that, in the future, this continuing study and experience will open up different and better methods of approach to the problem posed for the Fair Labor Standards Act by the migratory worker.

The Fair Labor Standards Act has as one of its specific purposes the outlawing of substandard wages and long working hours as a means of competition between communities. There are indications that the act has had a beneficial effect in connection with the migration of workers by reducing the migration of plants from one geographic area to another when this migration has had the sole objective of obtaining a source of cheap labor; also the act has increased opportunities for employment by the reduction of the basic workweek to 40 hours, and it has, by the establishment of minimum-wage standards, reduced the incentive of low-paid workers to migrate.

In the statement submitted for the record, special attention has been given to the application of the Fair Labor Standards Act to agricultural labor. At the present time the relation of the act to the problem of the migration of farm and rural workers is bound up with the various exemptions in the act applicable to such workers. I should like to explain these exemptions very briefly.

There is an exemption which includes all workers employed in farming operations, or in work on a farm as an incident to farming operations. At a minimum this exemption affects more than 3,000,000 wage earners.

Workers employed off the farm who prepare and process agricultural commodities for market are the subject of exemptions ranging from a complete year around exemption from both the wage-and-hour provisions to an hours exemption limited to 14 weeks in the year, and to 56 hours a week, or 12 hours a day. These exemptions affect approximately 1,000,000 wage earners, of whom about 175,000 receive the complete wage-and-hour exemption.

Exemptions provided for workers who are engaged in the first processing, packing or canning of fresh fruits and vegetables, have presented a particularly difficult problem in the administration of the act. After several months of experience, and following numerous conferences, public hearings, and research studies it was determined that the complete wage-and-hour exemption for workers performing these operations "within the area of production" would be extended only to those very small establishments whose commodities come from farms in the general vicinity of the plant and employ no more than 10 workers in these operations.

This complete exemption applies, therefore, only to about 8,000 workers in the whole fruit and vegetable processing industry, where more than half a million are employed. At the same time, however, it was decided to meet the most urgent requirements of these industries by liberalizing their hours exemptions, and provision was made for the allowance of an additional 14 weeks exemption. However, this additional period carries with it a limitation of the workweek to 56 hours, and the workday to 12 hours.

There is a complete wage-and-hour exemption provided in the act for all employees engaged in the fishing industry or those industries which market and process fish products or byproducts. This exemption applies to approximately 250,000 workers.

In brief, these are the exemptions applicable to farm and rural labor. I will not take time to discuss them further. The thing that I want to bring to your attention as being intimately related to the migration question is the possibility of extending the act to cover the workers employed in the larger type of agricultural operations.

Since the enactment of the Fair Labor Standards Act a number of outstanding authorities have urged or supported the extension of some form of wage-and-hour protection to agricultural workers on large-scale farms. Such recommendations have been based on the recognition that the same considerations which led Congress to enact minimum-wage legislation for industrial workers apply with even stronger force to this group of agricultural wage earners.

The extension of wage regulation to the large employers of farm labor would affect only a minute fraction of all the farms, but it would afford this protection to tens of thousands of workers in periods of active seasonal operations. I would not suggest at this time just where a dividing line ought to be drawn between small and large farms. If we take, just for purposes of illustration, the farms which regularly employ four or more hired workers as indicative of the larger commercialized farming operations, only about 1.5 percent of the country's farms would be affected. These farms, however, employ approximately one-third of the agricultural wage earners. The average size and investment of these farms indicate that relatively few of them would be representative of the typical American family farm, the labor and economic conditions of which have often been used as an argument against the extension of wage regulation in agriculture.

If minimum-wage regulation were to be extended to agricultural labor it is not likely that the present provisions of the act could be directly applied. While adequate data are not now available to determine appropriate minimum-wage standards, it is possible that minima varying from 15 to 30 cents an hour might be established if the existing wage structure and prices of different agricultural commodities were taken into consideration.

Experience with Federal wage regulations as applied to sugar beet and sugarcane field workers under the Sugar Act of 1937, and the experience of several foreign countries with both wage-and-hour legislation, indicates that it is possible to devise an administratively practical plan for the extension of this type of social legislation to agricultural wage earners.

As a practical matter of administration the establishment of minimum wage standards for agricultural wage earners might be carried out by means of committees similar in character to the industry committees now provided for in the act.

Limitation of working hours in agriculture would be a much more difficult problem than wage regulation. The flexibility that would be required in any practical plan of hours regulation in agriculture would, in all likelihood, tend to neutralize a large part of the benefit to labor contemplated by the shortening of hours.

TESTIMONY OF COL. PHILIP B. FLEMING—Resumed

EFFECT OF WAGE-AND-HOUR LAW ON MIGRATION OF INDUSTRY

The CHAIRMAN. Colonel, according to your statement, one of the most important effects of the wage-and-hour law has been the successful elimination of the migration of plants—runaway plants—solely to take advantage of substandard wages for labor. This substandard wage labor was mostly in the younger industrial parts of the country, such as the South, was it not?

Colonel FLEMING. That is true to a certain extent, although I do not think the South had any more runaway plants than any other parts of the country. There was a migration from urban centers to rural communities. Most of them went to the rural communities.

The CHAIRMAN. How do you define a runaway plant?

Colonel FLEMING. It is a plant that moves from some site to another, where it can get cheaper labor. By setting up a minimum standard of wages the wage-and-hour law reduces migration, because previously, with the runaway plant, there was this possibility of getting cheap labor.

The CHAIRMAN. We have heard many witnesses state that numerous people should migrate from the southern States where job opportunities are not numerous enough to take care of the rapidly growing population. Now, has not the placing of a floor under wages resulted in improving the quality of the job opportunities, and hence made it easier for the surplus southern population to find an independent livelihood at the destination of their migration?

Colonel FLEMING. It has improved job opportunities, and I think it has created more jobs.

The CHAIRMAN. That is your experience?

Colonel FLEMING. Yes, sir.

The CHAIRMAN. And your conclusion?

Colonel FLEMING. That is my conclusion.

The CHAIRMAN. And, further, is not the South better off as a result of the wage-and-hour law, because, as you state, the fact that industrial expansion in the South has continued at a fairly rapid rate since the passage of that law, is an indication that the South offers other advantages besides cheap labor?

Colonel FLEMING. I think the South is better off because of the enactment of the wage-and-hour law. The enactment and enforcement of that law has raised the standard of living in the South.

The CHAIRMAN. It is true, is it not, that although it might appear on the surface to be contradictory to what you have just said, that the wage-and-hour law has had the effect of reducing the aimless migration of people who formerly quit extremely poorly paid jobs in order to look for the pot of gold at the ends of the rainbow?

Colonel FLEMING. I think that is correct; yes, sir.

The CHAIRMAN. Is it not true that workers in industries in which migratory labor is the most obvious—agriculture, certain types of agricultural processing, fisheries, and so forth—were not given the protection of the floor below their wages?

Colonel FLEMING. That is correct; agricultural workers and processers of agricultural products, in their first processing.

EXEMPTION OF FARM LABOR FROM LABOR LEGISLATION

The CHAIRMAN. Is it your understanding that the reason Congress did not include agricultural labor in the coverage of the wage-and-hour law was because it was felt that the relation of the farmer and his hired man was too intimate and informal to make necessary the application of the legal minimum wage?

Colonel FLEMING. I think that is correct, although as to the intent of Congress, you are better able to answer than I am.

The CHAIRMAN. I do not know about that; I can fix my own intent once in a while, but I cannot answer for 434 other Members.

Colonel FLEMING. I have to take into consideration 435 Members.

The CHAIRMAN. If Congress were to apply the minimum wage to commercialized farms, or farms hiring four or more workers, about what proportion of the country's farms would be affected?

Colonel FLEMING. Our figures indicate that about 1½ percent of the farms employ 4 or more employees. Just where the line is for commercialized farms, we are not prepared to say. They may have 8 or 10 employees. If you go to 8 employees the percentage is less, according to the number of workers involved.

The CHAIRMAN. In terms of figures, Colonel, about how many would 1 percent amout to, I mean according to the number you have indicated?

Colonel FLEMING. I do not know the exact number of farms involved. Our figures show that the number of employees on farms employing four or more is about a million. If you go to the number of farms employing eight or more, the figure is a little over half a million.

The CHAIRMAN. In other words, about 98 percent of the farms of this country employ less than four or five?

Colonel FLEMING. That is correct, about 98½ percent. Our figures show about 100,000 farms in the country.

Mr. PARSONS. That is, employing four or more.

Colonel FLEMING. Employing 4 or more, and about 30,000 employing 8 or more.

The CHAIRMAN. In other words, the great bulk of farms in this country are what are called family farms, employing four or five people, or less.

Colonel FLEMING. That is correct.

The CHAIRMAN. If Congress were to apply the minimum wage to commercialized farms, or farms hiring four or more workers, about what proportion of the country's farms would be affected? I believe you have answered that question.

Colonel Fleming. Yes, sir; just about one-third of all farm labor would be covered, because about one-third are employed on farms that employ four or more people.

Mr. Parsons. Colonel Fleming, as administrator of the wage-and-hour law, would you recommend that those farms be covered by the Wage and Hour Act?

Colonel Fleming. I would recommend it; yes, sir.

Mr. Parsons. Do you think it would have a beneficial effect, not only on those farms, but upon the family farms, too?

Colonel Fleming. I think if you applied it to those farms it would raise the standard, and, therefore, benefit the family farms.

The Chairman. So that, if I understand you correctly, the extremely low wages which are paid to farm labor on commercialized farms could be raised without injuring in any way the incomes of the small family farm operators.

Colonel Fleming. That is correct.

The Chairman. Your statement has indicated that, in your opinion, it would be administratively feasible to extend the minimum wage regulation to commercialized farming. Would you explain how that might work?

Colonel Fleming. I think that could be done. You have the Sugar Act of 1937, which does the same thing for sugar labor, and I think it could be extended to diversified farming.

The Chairman. You feel we have a precedent for the successful administration of minimum wage protection for workers under the operation of the Sugar Act of 1937?

Colonel Fleming. Yes, sir.

The Chairman. I imagine that the toughest administrative problem of the Wage and Hour Division has been that of administering the area of production exemption. Is that correct?

Colonel Fleming. I think it has been tough to administer it, and it has also been tough to define that area of production. That was a sort of "hot potato" which Congress dropped into the Administrator's lap, when they asked him to define that.

The Chairman. You have been working with the question of the area of production; I wonder if you could tell us what it is.

Colonel Fleming. Congress said that a certain type of workers employed within this area of production, as defined by the Administrator, would be exempt from both the wage and hour provisions, and some from the hours provision of the act. That meant that we had to draw a line, because obviously the area of production was not the whole United States.

We tried our best to get what the intent of Congress was, and we found in the debates talk about small operators employing a limited number of people. They also talked about plants in the open country, or in a small town, so we drew a line, and on one side there were their small plants employing seven or less people which drew all of its material from the general vicinity, and we also took a larger plant, without any limit to the number of people employed, which was in open country, or a town of less than 2,500. But that set some inequalities.

We have found, for instance, two exactly similar plants, one on one side of the road and one on the other; one was in town and the other in open country. They were in direct competition, one in the area of production exemption, and the other outside of that area.

We had one amusing case of a plant in a town of five or six thousand people, located on the edge of the town and owned by the mayor. He called the city council together and had them enact a city ordinance which threw the town's limits inside and left this plant in open country, and therefore in the area of production.

The CHAIRMAN. And you were the head linesman in that case?

Colonel FLEMING. Yes, sir.

The CHAIRMAN. Did you ever find out the intent of Congress in that respect?

Colonel FLEMING. No, sir.

The CHAIRMAN. Has any one else?

Colonel FLEMING. I do not think so.

The CHAIRMAN. Then it would make it much more efficient to eliminate the present exemption for agricultural processing, would it not?

Colonel FLEMING. It would be much simpler; yes, sir.

The CHAIRMAN. Is there any significant difference between the need for minimum wage protection on commercialized farms and the need for it in canneries and packing houses?

Colonel FLEMING. No difference at all.

The CHAIRMAN. Does not the experience of foreign countries with minimum wage legislation for agricultural workers indicate that such legislation is administratively feasible?

Colonel FLEMING. Yes; we have a record of the experience in European countries where they have had minimum wages and they have been able to make it work.

The CHAIRMAN. I know, Colonel Fleming, that this is not covered in your original statement, but I think we would be interested to have you express yourself on the question of the necessity for maintaining wage-and-hour standards during the present defense emergency.

Colonel FLEMING. I have expressed myself on numerous occasions on that question. I think there is no need for relaxing any wage-and-hour standards at the present time.

The CHAIRMAN. Is it your feeling that in the interests of total defense, that is, in order to get the maximum efficiency for our productive equipment, both men and machines, it is necessary to maintain the labor standards which are represented by the wage-and-hour law?

Colonel FLEMING. Absolutely; I think so. We had the experience in the last war, where we found that increasing hours of work does not increase production. As a matter of fact, there is a certain limit when production begins to decrease. The British found the same thing to be true in the last war, and they conducted some very interesting experiments in some of their munitions plants. They started at 66 hours a week, and then they reduced the number of hours until they got to 45 hours, and they found that a plant produced 9 percent more with 45 hours than with 66 hours, that is, an individual produced that much more.

Mr. OSMERS. Colonel Fleming, did they find that 45 hours gave about peak production?

Colonel FLEMING. They did not reduce the time below 45 hours. As a matter of fact, their records show that 55 hours produced very little more than 45 hours. That was 20 years ago.

Our assembly line type of production, developed in this country in the last 20 years, and largely used in defense production, and under which a worker has the task of keeping up something which is passing by constantly, is such that probably 40 hours gives the peak.

Mr. OSMERS. Would you not say that the tremendous speeding up of American industry, that is the quicker tempo of American industry, has had a tendency to lower the optimum?

Colonel FLEMING. That is true. We find some big plants down to 36 hours.

Mr. OSMERS. Of their own volition.

Colonel FLEMING. Of their own volition, working 36 hours. Of course, Mr. Ford went to 40 hours in 1926, and he has held to that. Whatever else you may say about him, Ford is a good businessman, and if he thought he could produce more by reducing the hours, I am sure he would reduce the hours. It is hard to tell what is the optimum.

Mr. OSMERS. It varies with the operations.

Colonel FLEMING. It varies with the operations, and with the individual.

The CHAIRMAN. What standard is England employing now?

Colonel FLEMING. I do not know what it is, but I know they forgot about the lessons of the last war in this war, and in July, when they were in the middle of the blitzkrieg, they found that production was decreasing because of the long hours, and they reduced the number of hours.

Mr. OSMERS. Is it true that they still have quite a serious unemployment problem, and would it not be better for them to shorten the hours?

Colonel FLEMING. I am quite certain they have an unemployment problem. I think the thing for us to do today is to absorb some of our unemployment by working the machine 24 hours and training new workers in the various skills that are necessary, and work them more effectively.

The CHAIRMAN. In other words, you feel that the wage-and-hour law is directly related to national defense because of its influence in maintaining the health and vigor of our labor supply?

Colonel FLEMING. I certainly do.

Mr. CURTIS. Colonel, there is one matter I would like to get straight in my mind. If I understood the Secretary of Labor correctly, her definition of industrialized agriculture was a farm on which four or more people were employed. She said there were about 3,000,000 such employees, as I understood her. If I understood you correctly, you said that there are 1,000,000.

Colonel FLEMING. Yes, sir; that is right.

Mr. CURTIS. Which is right?

Colonel FLEMING. I stick to the 1,000,000. I think the Secretary was thinking of the number of farm employees altogether, which is about 3,000,000, and the farms employing 4 or more people have about one-third of the total number, or 1,000,000.

Mr. CURTIS. I am inclined to think it is about 1,000,000.

As you realize, this committee is assigned the task of studying the subject of interstate migration of destitute persons. I am not quite clear about your theory as to the extension of the Wages and Hours Act to that 1,000,000 group, and how that will tend toward the solution of the problem.

Colonel FLEMING. I do not know whether it will stop migration, but if we apply the wage-and-hour standards to them—most of them working on the big industrial farms—their pay will be increased and their hours reduced.

Mr. CURTIS. In other words, you are offering it as a desired social gain and not necessarily as a remedy for the wandering of the jobless, homeless, Stateless people.

Colonel FLEMING. It is just to improve their condition where they are. It does not stop them from moving; they are always going to move. There is a group that starts in in Florida in the spring and follows the crops up the coast until they get up to New Jersey, where they work at harvesting potatoes.

Mr. CURTIS. Most of those people have homes to which they can return, do they not?

Colonel FLEMING. I think they do; yes, sir.

Mr. CURTIS. Do you have an opinion as to what effect the placing of industrialized agriculture under the wage-and-hour law would have upon the family-operated farm?

Colonel FLEMING. It will affect the income of the family-operated farm, and by increasing the standard of living of other workers it will generally improve the family farm also.

Mr. CURTIS. In what way?

Colonel FLEMING. I think that application of the wage-and-hour law, making for an increased price of agricultural products from the industrialized farm, would be reflected in the sales price on the family farm.

Mr. OSMERS. Do you feel it would give the family type of farm a better competitive position by increasing the standards to which their main competition must appeal?

Colonel FLEMING. That is correct.

Mr. CURTIS. Does the cost of production of any agricultural commodity determine the sales price?

Colonel FLEMING. I am not an economist and cannot answer that, but I should imagine it would, if these big farms——

Mr. CURTIS. If the big farm has a monopoly on a particular product and all similar products, it perhaps would?

Colonel FLEMING. Yes; not even a monopoly, but a governing rate.

Mr. CURTIS. Do you think it would tend to increase the labor cost of the family type of farm, which, for short periods of time, employ two or three men?

Colonel FLEMING. It probably would, because you would have a standard rate of pay. Someone was talking about the wheat fields. If the industrialized farms had to pay a minimum wage, 3,000,000 harvesters who came in during the harvest season would probably get the same rate.

Mr. CURTIS. Would that tend to lead to a further abandonment of the family farm, if someone trained in farm labor would go to work on the industrialized farm? In other words, will the man who is going to get minimum hours and maximum wages, with old-age security and better housing conditions, going to want to desert his family type of farm, where his housing is poor and his income very low, in some years getting nothing on account of a crop failure, with no old-age security? Will that cause a further abandonment of the family type of farm?

Colonel FLEMING. I cannot answer that; I do not know.

INDUSTRIALIZED FARM

Mr. OSMERS. Colonel, would you care to express a general opinion as to the future of industrialized farming in contrast to the family type of farming?

Colonel FLEMING. I should say that the industrialized farm is here to stay.

Mr. OSMERS. Would you say it is on a steady, sharp increase throughout the United States?

Colonel FLEMING. It is on an increase, but not a sharp increase. But the curve is going up.

Mr. OSMERS. It has been my opinion—I do not say whether it would be a good thing or a bad thing—that if we imposed upon the industrialized farm the ordinary type of industrial standards that it will accelerate the pay considerably. Do you feel that might happen?

Colonel FLEMING. I cannot say it would accelerate it if we had to impose those conditions.

Mr. OSMERS. I have this thought in mind, that the family type of farm is so affected by competition that it has become a somewhat heartbreaking situation, and there seems to be a tendency in America today to seek security rather than independence, and it seems to me it might express itself there, when there are farmers leaving the Dust Bowl and going to California because they think they might get 50 cents an hour there.

Colonel FLEMING. That may be; that sounds like sound reasoning.

The CHAIRMAN. Congressman Curtis asked you what effect the application of the Wage and Hour Act would have on the migration of destitute citizens. That is a problem we are investigating. Of course, the migration of people has many causes, as you realize, such as unemployment, mechanization, and various other things, so there is not any single answer to the question.

Anything that will keep people at home will reduce the migration of our citizens, will it not?

Colonel FLEMING. I think so.

The CHAIRMAN. You cannot keep them all at home.

Colonel FLEMING. No.

The CHAIRMAN. Because there comes a time when people will not starve standing still; they are too good American citizens.

Colonel **Fleming.** Yes.

The **Chairman.** Colonel, I want to express to you on behalf of the committee our thanks for your appearance here. You have given a very valuable contribution to our consideration of this subject.

Colonel **Fleming.** Thank you, Mr. Chairman.

SUPPLEMENTAL STATEMENT OF COL. PHILIP B. FLEMING

Proposed Federal Legislation in Relation to Interstate Migration

This statement is presented in response to a request from the Special Committee of the House of Representatives Investigating the Interstate Migration of Destitute Citizens. I have been asked to discuss "present and proposed Federal legislation affecting industrial and agricultural workers migrating across State lines." My discussion will be restricted, of course, to Federal wage-an-hour legislation.

A consideration of the Fair Labor Standards Act in relation to the problem of migratory workers involves the question of the application of this act to certain industries that are now exempt and in which industries we find a large part of the country's migratory population. The most important of these industries are agriculture, fishery and fishery products, and certain portions of the industries which prepare and process agricultural commodities.

My opinion was requested regarding "* * * new legislation or extensions or modifications of already existing statutes which would in your judgment improve the situation created by agricultural migration and surplus rural population pressure." This statement, therefore, deals primarily with a discussion of the possible extension of the Fair Labor Standards Act to the industries mentioned above.

It seems desirable to preface the discussion by indicating, in a general way, some of the beneficial effects of the act in the industries now covered. The discussion will then be followed by a detailed statement of the exemptions contained in the act for agriculture, agricultural processing, and the fishery industries. The arguments for extension of the coverage of the act to these industries will be summarized briefly and followed up with an appraisal of possible economic effects of the extension of coverage to agriculture. Finally, a brief summary will be presented of American and foreign experience with wage-and-hour legislation in the agricultural field.

I. THE FAIR LABOR STANDARDS ACT AND MIGRATORY WORKERS

The act at the present time prescribes a basic minimum wage of 30 cents an hour and a maximum workweek of 40 hours; work beyond 40 hours must be compensated at the rate of time and a half the regular rate of pay. These provisions apply to all employees "engaged in commerce or in the production of goods for commerce,"[1] with specific exceptions, some of which will be described below.

The act seeks to protect workers from actual want by fixing an irreducible, though low, minimum below which wages may not fall. It also seeks to protect workers from excessively long hours of work and at the same time create additional opportunities for employment by fixing a maximum workweek beyond which employers are restrained from working their employees by the necessity of paying overtime compensation.

One of the most important effects of the Fair Labor Standards Act on migration is through its effect on the migration of plants. Prior to the Fair Labor Standards Act, it was common to find plants moving from large cities to smaller towns and from one geographic area to another solely with the objective of obtaining a better source of cheap labor. This movement was assisted by many communities under the mistaken impression that the establishment of local industries, regardless of what level of wages it brought to the community, would be a source of prosperity for the community. This bidding by communities for the opportunity to have their citizens work long hours at low wages resulted, of course, in stranded populations of wage earners in the communities left by the migratory establishments. The stranded workers either had to be taken care of through public relief or had to migrate to other communities in an effort to obtain new employment. In the communities to which the plants moved a new supply of labor was trained and employed at extremely low rates of pay until better opportunities for the employer were offered elsewhere.

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[1] Sec. 3 (j) states: "Produced means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any process or occupation necessary to the production thereof, in any State."

One of the declared objectives of the Fair Labor Standards Act was to bring to an end this migration of plants due solely to the desire to obtain a source of cheap labor. In discussing this legislation, the President in his message to the special session of the Seventy-fifth Congress on November 15, 1937, urged:

"End the unsound practice of some communities—by no means confined to any one section of the country—which seeks new industries by offering as the principal attraction labor more plentiful and much cheaper than may be found in competing communities. To them the Congress should reiterate the oft-repeated pledge of political parties that labor is not a mere commodity."

This objective was concurred in not only by leaders of organized labor who saw their standards undermined by runaway plants, but also by the great bulk of the employers, who were faced with ruinous competition from these low-wage plants.

No thorough study has been made to determine the extent to which this migration has been reduced by the Fair Labor Standards Act. There is some evidence, however, to indicate that this movement has been considerably retarded. The Journal of Commerce for April 1, 1940, reported that "* * * since the enactment of the Fair Labor Standards Act, industrial engineers have been inclined to place less emphasis upon a crude comparison of wage rates in selecting locations for new industrial plants. The establishment of minimum wage rates by Federal and State law, and the likelihood that such minimum rates will be raised further in the future, cause them to place greater emphasis upon other pertinent considerations."

The president of a dry-cleaning plant located in New Jersey with 85 retail outlets in New York City, when informed that its cleaning operations came within the purview of the Fair Labor Standards Act, protested to a Wage and Hour Division representative:

"It's outrageous. It puts me on the disadvantage side. We started a New Jersey corporation to gain a competitive advantage over New York cleaners, the New Jersey minimum wage statute reduced some of that advantage and if we have to comply with the Federal law, we will lose all of our advantage. It isn't fair."

A story in Business Week for November 19, 1938, reported on the reopening in St. Louis, Mo., of the Hamilton Brown Sunlight plant which had been closed since 1930. The local citizens interviewed by the Business Week correspondent asserted that the opening of the plant was a definite indication that the migration of the shoe industry to smaller towns was definitely checked. The reporter further stated:

"* * * it was no coincidence, say well-known informed St. Louisians, that the Sunlight plant, reported to be the largest under one roof in this country, was reopened immediately after the Federal wage-hour law became effective. With the Wagner and wage-hour legislation, the small-town labor markets aren't what they used to be."

The Fair Labor Standards Act is not directed against migration of industry which is based on sound economic advantages offered by different areas of the country. It is directed solely against that migration which depends upon the impetus of cheap labor. The fact that industrial expansion in the South has continued at a fairly rapid rate despite the passage of the Fair Labor Standards Act is an indication that the South offers other advantages besides the traditional one of cheap labor.

Urban as well as rural migration has been affected by the Fair Labor Standards Act in another way, namely, by creating increased opportunities for employment. The reduction of the basic workweek to 40 hours has undoubtedly created thousands of new job opportunities for unemployed workers who otherwise would have been under the necessity of considering the problem of migration. Again, it is not known how many jobs have been created by the Fair Labor Standards Act. When the workweek under the act was reduced from 44 to 42 hours, it was estimated by the Bureau of Labor Statistics that this would result in a shortened workweek or overtime pay for some 1,600,000 workers. The best evidence that the act has created jobs is furnished by concrete illustrations. Both employer and labor representatives in a metal mining area informed a Division representative that when the mines in the area reduced their workweek to 40 hours from a previous level of 48, an opportunity was offered for the first time in many years for hundreds of youths in the community to obtain employment. Since they were practically no alternative opportunities for employment these additional jobs definitely reduced the necessity for migration for hundreds of young people. Similar reports regarding increased employment of workers who would otherwise have had to migrate have been received from the dried fruit processing areas in California. If the information were available these illustrations could undoubtedly be duplicated elsewhere throughout the country.

The Fair Labor Standards Act has affected migration in still a third way. To the extent that migration has been caused by a desire on the part of low-paid workers to better their economic status, the establishment of minimum wage standards and maximum hours of work has reduced this stimulus to some degree. While the standards established by the act are not so high as to make a worker satisfied with his economic level, a comparison of these standards with the levels that existed prior to the passage of the act indicates that many thousands of workers have achieved a substantial improvement in their wages and earnings. Such improvements could not help but reduce the urge as well as the necessity for seeking employment in other parts of the country.

II. EXEMPTIONS UNDER THE ACT

In accomplishing the purposes outlined above, Congress considered that this legislation was exploratory in nature. Provision was, therefore, made for the specific exemption of millions of workers in agriculture and in industries allied to agriculture where it appeared that correction of substandard working conditions might be administratively more difficult than in industry generally. To a considerable extent it is in exempt industries that migratory workers predominate, because of the highly seasonal nature of most of these industries.

(*a*) *Exemptions under the definition of "agriculture."*—The Fair Labor Standards Act provides (sec. 13 (a) (6)) that the minimum wage and maximum hours standards of the law shall not apply to any person employed in agriculture. Agriculture is defined in section 3 (f) as follows:

"'Agriculture' includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market."

It will be seen that in addition to such operations as the growing and harvesting of crops and the raising of livestock and poultry—operations most commonly identified with farming—this definition also includes some forestry and lumbering operations, the raising of fur-bearing animals, and the operation of turpentine farms on which oleoresin is obtained from living trees and gum spirits of turpentine and gum rosin are produced by distillation.[2] Nurseries, greenhouses, and establishments producing mushrooms and seeds also fall within the definition of agriculture.

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[2] Section 15 (g) of the Agricultural Marketing Act.

"Agriculture" as defined in the act may also include operations which are not ordinarily carried on by a farmer or on a farm under the proviso which brings within the definition all practices which are incidental to or performed in conjunction with actual farming operations. Such operations are "agriculture" if they constitute a subordinate and established part of the farm enterprise, provided the products handled or processed are raised entirely by the farmer or on the farm in question. These subordinate operations may include even such industrial and commercial operations as the canning and packing of fruits and vegetables and the manufacture of dairy products.

Forestry and lumbering operations, which fall within the definition when performed on a farm, have been interpreted to include the cultivation and management of forests, the felling and removal of timber, the conversion of logs and timber into rough lumber and similar products, and the piling, stacking, and storing of all such products. These operations must, however, be incidental to actual farming operations and must constitute only a minor proportion of the farmer's activities.[3]

The Census Bureau reports that during the first week in January 1935 there were 1,645,802 hired laborers working on farms (in addition to 10,762,012 unpaid family laborers; i. e., farm operators and members of their families who did not receive wages). As farm employment is at a minimum in January in most parts of the United States, this figure is not representative of maximum employment during the year. The United States Department of Agriculture estimates that on July 1, 1940, the number of hired farm laborers totaled 3,112,000.[4]

The Fair Labor Standards Act definition of "agriculture" is somewhat broader than the Census and Department of Agriculture definition. It covers all employees included under the latter definition and, in addition, employees of packing houses, canneries, and similar establishments operated by a farmer or on a farm, and employees of fur farms and turpentine farms. No accurate estimate is available of the total number of workers engaged in these additional types of operations.

(*b*) *Exemption of industries which handle and process agricultural commodities.*—In addition to the complete exemption of agricultural labor just discussed, the Fair Labor Standards Act also exempts completely from both the wage-and-hour provisions persons employed "within the area of production (as defined by the Administrator)" who are engaged in "handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products."[5]

It is estimated that this section of the act exempts a maximum of approximately 175,000 employees from the wage-and-hour provisions. The principal industries in which these exempt workers are employed are dairy-products manufacturing, cotton ginning, canning and packing of fresh fruits and vegetables, and the handling of grain, livestock, poultry, and poultry products. These 175,000 exempt employees are only a small percentage of the total number of persons employed in the industries specified by this section of the act, since the exemption applies only within the "area of production" and to handling, packing, etc., "for market."

The act also provides additional exemptions from the hour provisions applicable to industries which handle and process agricultural commodities after they leave the farm. Some of the hours' exemptions are year-round exemptions, while others are limited to 14 weeks in any calendar year.

"In the case of an employer engaged in the first processing of milk, whey, skimmed milk, or cream into dairy products, or in the ginning and compressing of cotton, or in the processing of cottonseed, or in the processing of sugar beets, sugar-beet molasses, sugarcane, or maple sap into sugar (but not refined sugar) or into sirup, the provisions of subsection (a) shall not apply to his employees in any place of employment where he is so engaged; and in the case of an employer engaged in the first processing of, or in canning or packing, perishable or seasonal fresh fruits or vegetables, or in the first processing, within the area of production (as defined by the Administrator) of any agricultural or horticultural commodity during seasonal operations, or in handling, slaughtering, or dressing poultry or livestock, the provisions of subsection (a), during a period or periods of not more than 14 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged." [6]

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[3] A full discussion of the definition of "agriculture" in the Fair Labor Standards Act is to be found in Interpretative Bulletins Nos. 7 and 14 issued by the Solicitor's Office of the United States Department of Labor.

[4] United States Department of Agriculture, Agricultural Marketing Service, Farm Labor Report, September 13, 1940. The number of family workers (including farm operators) on farms on the same date is estimated at 8,925,000.

[5] Section 13 (a) (10).

It is estimated that this section of the act exempts a maximum of approximately 685,000 employees. The principal industries in which these workers are employed are dairy products manufacturing; cotton compressing; cottonseed oil manufacturing; sugar manufacturing; fruit and vegetable processing, packing, and canning; and the handling, slaughtering, and dressing of poultry and livestock. It will be observed that there is some duplication of operations between those which receive a complete wage-and-hour exemption under section 13 (a) (10) and those which receive an hours exemption under section 7 (c). Where this duplication occurs, the complete wage-and-hour exemption applies only to operations performed "within the area of production," while the hours exemption for these operations has no such limitation. In the case of the hours exemptions provided for first processing operations performed on all agricultural or horticultural commodities other than dairy poducts, cotton, cottonseed, sugar products, fruits and vegetables, and poultry and livestock, however, the "area of production" limitation again applies.

Provision is also made in the act for a partial exemption from the hour provisions for industries which have been "found by the administrator to be of a seasonal nature." [7] This exemption, which is limited to 14 weeks in any calendar year and to 56 hours a week or 12 hours a day, is also applicable to many industries which handle and prepare agricultural commodities. As of November 25, 1940, this exemption had provided some relaxation of the hours provisions to industries including those engaged in storing cotton; storing fresh fruits and vegetables; cleaning and processing several types of seeds; handling, stemming, and storing green-leaf tobacco; Smithfield ham curing; spring freshet driving of lumber; sap peeling of pulpwood; ice and snow road hauling of lumber; harvesting, handling, and processing of decorative greens; storing and packing of nursery products; handling and storing of sugarcane bagasse; and raw fur receiving. The first processing, packing, and canning of fruits and vegetables had also been granted exemption as industries of a seasonal nature, thereby extending the hours exemptions for these industries to 28 weeks. In addition, prima facie determination dealing with the handling and storing of several types of nuts and the storing of grain had been issued but had not become final. The various determinations dealing with the handling and preparing of agricultural and horticultural commodities and lumber had extended the 14-week hours exemptions to approximately 140,000 employees in addition to those engaged in the first processing, packing, and canning of fruits and vegetables.[8]

(*c*) Exemption of industries engaged in the first processing, packing, and canning of fruits and vegetables: It appears desirable to make some special reference to the industries which prepare and process fruits and vegetables, since these industries are as highly seasonal as agriculture itself and are typically characterized by the employment of migratory workers. It is also in these industries that the Administrator of the Wage and Hour Division found some of the most difficult problems arising from the exemptions provided by the act. The statutory requirement that he should define the "area of production" within which a complete wage and hour exemption would be applicable presented particular difficulties in these industries.

In developing the regulations on "area of production," the administrator realized that to avoid giving any competitive advantage to particular employers it would be necessary to grant no exemptions or to grant complete exemption for all the establishments in these industries. It was not the understanding of the administrator that either of these two alternatives was contemplated by Congress. To grant no exemption would be to nullify the provision Congress had written into the act. Unlimited exemptions, on the other hand, are stated throughout the act as unlimited exemptions, and it would have been presumptuous to assume that the "area of production" limitation was intended merely as a form of words without content. It was also noted that section 7 (*c*) grants a partial hours exemption to the packing or canning of fresh fruits or vegetables without limitation as to the place where the operations occur. A definition of "area of production" broad enough to exempt from the wage and hour provisions all the canners and packers of fresh fruits and vegetables under section 13 (*a*) (10) therefore would have rendered meaningless the partial hours exemption in section 7 (*c*).

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[6] Section 7 (c).

[7] Section 7 (b) (3).

[8] Other industries, such as placer gold mining in some areas and tin mining in Alaska, which have obtained seasonal exemptions under sec. 7 (b) (3) also employ some migratory labor.

After a period of experience under the current regulations, the administrator undertook various regional conferences to obtain relevant facts and the varying opinions of interested parties. The Wage and Hour Division also made $50,000 available to the Women's Bureau of the Department of Labor to make a detailed survey of wages, hours, and seasonality of employment in the fruit and vegetable canning and packing industries. Several public hearings were held at which representatives of employers and employees from every section of the country testified. As a result of these studies and hearings the administrator found that packers and canners of the major part of the volume of fresh fruits and vegetables voluntarily paid wages equal to or above the statutory minimum under the Fair Labor Standards Act. It was also found that any definition which would seriously disturb existing competitive relationships would be highly unsatisfactory to the members of the industries. Large volumes of fresh fruits and vegetables are canned and packed in cities such as San Francisco, Oakland, San Jose, and Los Angeles, Calif.; Baltimore, Md.; Pittsburgh, Pa.; Camden, N. J.; Tampa and Orlando, Fla.; Racine, Wis., and in other towns and cities of substantial size in the Midwest and other southern areas. Further, many of these plants draw their produce from considerable distances, in some cases 200 or 300 miles away. It was evident that such canneries and packing houses could not be considered within the "area of production," however defined. Yet it was also obvious that a definition of "area of production" which excluded establishments in these large packing centers and exempted their competitors would result in unfair competitive disadvantages between employers and also in wage differentials between employees engaged in the same occupations.

From the evidence obtained at these conferences and hearings it was quite clear that the minimum-wage provisions of the act had not resulted in any serious increases in labor cost except in a few areas affecting a minor part of the industry. Even in these areas there were employers willing and frequently anxious to pay the minimum wage if their competitors were also required to live up to the same standards. It did not appear, however, that peak seasons of packing and canning employment frequently exceed the 14-week period for which an hours exemption is provided in section 7 (c) of the act. It was, therefore, determined that the complete wage-and-hour exemption would be extended only to those plants receiving fresh fruits and vegetables from farms in the general vicinity and employing not more than 10 persons, but that all of the establishments in the industry would receive a partial hours exemption under the seasonal industry provisions of section 7 (b) (3). In this manner the administrator found it possible to give some meaning to the intention of Congress by granting complete exemption only to the very small rural plants whose aggregate production would not disturb the competitive structure of the industry. At the same time he gave some attention to the most urgent requirements of these industries by liberalizing their hours exemptions. It is estimated that with the final effective date of these regulations to all branches of the industries (Dec. 1, 1940) not more than eight thousand of the more than half a million employees who perform some operations on fruits and vegetables after they leave the farm will be exempt from the wage provisions of the act. Approximately 380,000 of this same group of employees will be completely exempt from the hours provisions of the act during 14 weeks of the year, and will also be exempt from the hours provisions during an additional 14 weeks up to 12 hours a day or 56 hours a week.

(*d*) *Exemption of employees engaged in fishing and the fishery-products industries.*—Among several other exemptions provided for in the act is a complete wage-and-hour exemption for "any employee employed in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, including the going to and returning from work and including employment in the loading, unloading, or packing of such products for shipment or in propagating, processing, marketing, freezing, canning, curing, storing, or distributing the above products or byproducts therefor." [9]

It is estimated that this section of the act exempts approximately 250,000 employees from the wage-and-hour provisions. Somewhat more than half of this number are fishermen or are engaged in related occupations, while about 100,000 are employed in various wholesaling and processing operations performed on fish products or the byproducts thereof.

The seasonality of employment in the fish-processing industries and the fact that the establishments are often remote from urban areas gives rise to many problems comparable to those in the processing of agricultural products. In some instances fruit and vegetable and fish canneries are identical; in other instances persons who are employed in one type of cannery during part of the year will find employment in the other type during a different period. Therefore, consideration of extension of the act to agriculture and processing of agricultural commodities should involve consideration of simultaneous extension to the fishery industry as defined above.

(*e*) *A note on the legislative history of the aricultural exemptions.*—When the Fair Labor Standards Ast was first proposed there appeared to be no question but that all farm labor would be exempted from any minimum-wage or maximum-hour provision. The only questions raised were those dealing with the extent of such exemptions. This is indicated by an examination of the language of the various amendments and the ensuing debates on these amendments to the original versions of the act.[10]

The continuous thread of the argument underlying these debates seemed to be the problem of clarifying the scope of the agricultural exemption and the equalizing of any competitive advantage that might accrue to the larger farmer versus the small farmer. The "area of production" clause of the act was formulated largely to remove the possibility of any inequities as between the larger farmer who was able to perform on the farm some of the preparing and processing operations on his products, and the small farmer who was unable to do so because of the lack of necessary equipment.

The debates in Congress indicate clearly the intention to exempt farmers and farm laborers from the requirements of the Fair Labor Standards Act. This intention was supplemented by the exemption of certain preparing and processing operations usually performed on farm products immediately after they leave the farm through the provisions now contained in sections 13 (a) (10) and 7 (c) of the act. The considerations that seemed to weigh most heavily with the proponents of the various exemptions provided in these two sections of the act were the following beliefs: (1) that any increase in the cost of carrying out the specified operations would be passed back to the farmer; (2) that labor conditions in rural communities are better than in urban and industrial communities; and (3) that the labor supply in rural areas is limited. The chief emphasis in the debates was on rural areas and the assumed necessity of relieving establishments handling farm products in such areas from the application of the wage and hour standards. The debates suggest, however, that there was some question as to whether these processing exemptions should extend to plants which employ large numbers of workers when these plants are located in rural areas.

III. TESTIMONY OF AUTHORITIES REGARDING THE EXTENSION OF MINIMUM WAGE AND MAXIMUM HOUR LEGISLATION TO WORKERS WHO ARE NOW EXEMPT

It was pointed out above that, at the time the Fair Labor Standards Act was under discussion, little consideration was given to the possibility of covering agricultural workers under the act. The sole question under discussion concerned the most suitable dividing line between agriculture, which everyone assumed would be exempt, and the industries which were to be subject to the act. Since the passage of the act, an increasing amount of attention has been placed on the need for added protection for workers employed in the exempt industries. Even before the passage of the act, the President's Committee on Farm Tenancy made the following recommendation in 1937 with respect to farm laborers:

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[9] Sec. 13 (a) (5).

[10] Cf. Joint hearings before the Committee on Education and Labor, U. S. Senate, and the Committee on Labor, House of Reprenestatives, 75th Cong., 1st Sess., on S. 2475 and H. R. 7200. Eighty-first Congressional Record, Pt. 77, pp. 7325, 7648, 7656, 7876–7878, 7949–7957. H. R. Rept. No. 2182, 75th Cong., 1st sess.

"In general, farm laborers have not shared in the benefits of either Federal or State legislation providing for collective bargaining; unemployment, accident, and old-age insurance; and requirements for assuring safe and sanitary conditions of employment. These types of legislation might well be applicable to the large employers of farm labor—those who systematically employ laborers in large numbers, as distinguished from the operators of family farms."

The interbureau committee on technology of the United States Department of Agriculture, in a recent report recommends a rural counterpart of wage-and-hour legislation as a partial solution of the agricultural, migratory-labor problem:[11]

"For the further benefit of the low-income farm labor group, we should have a rural counterpart of the wage-and-hour legislation and the unemployment insurance and old-age retirement that are now in effect for urban workers. To accomplish this will not be easy, but these people need protection and security just as much as urban workers. This is particularly true of that large group of migrant seasonal laborers who follow the crops."

In testimony before a subcommittee of the Senate Committee on Education and Labor, Dr. Paul S. Taylor, of the University of California, a well-known student of agricultural labor problems, declared:[12]

"To those [agricultural workers] for whom we cannot reopen opportunity with new patterns for security on the land, we must offer some alternative protection, in harmony with democratic methods, from the harsh working of competition. In the light of a long and honorable tradition of protective legislation in both English and American industry, this need for protection requires logically the extension of social legislation to workers in agriculture."

Directing himself specifically to the question of the desirability of extending the Federal and State wage-hour laws to the larger employers of farm labor, Dr. Taylor stated:[13]

"The belief has long been held by many persons that social legislation cannot properly be applied to agricultural laborers because they are so scattered, because the laws would prove burdensome to the great majority of American farmers, and because difficulties of administration would be insuperable. Careful statistical analysis of our agricultural structure, however, yields little support for these common apprehensions. On the contrary, it confirms the hope of the Farm Tenancy Committee that those who labor for agricultural employers can be protected with neither burden to the traditional American farmer nor wih excessive administrative costs."

Governor Culbert Olson, of the State of California, also stated before that committee:[14]

"I likewise feel that the Federal wage-and-hour legislation should be extended to include large-scale farming operations and that amendments which have been proposed to the act, designed to eliminate from its provisions certain processing and canning operations, should be defeated."

A similar stand was taken by the Secretary of Labor when she urged before the same committee the extension of the Fair Labor Standards Act to agricultural workers on "industrialized farms":

"Wage-and-hour legislation of Federal and State Governments should be extended to workers on industrialized farms—many of whom are migrant laborers * * * produce a definition of the industrial farm, as differentiated from the home farm, where the hired man has a 'moral claim' to participate in his employer's ups and downs."[15]

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[11] Technology on the Farm, a special report by an interbureau committee and the Bureau of Agricultural Economics of the U. S. Department of Agriculture, August 1940, p. 88.

[12] Hearings before a subcommittee of the Committee on Education and Labor (S. Res. 266, 74th Cong.), U. S. Senate, pt. 47, p. 17286.

[13] Ibid., pt. 50, p. 18201. The specific question was Should the Federal and State wage-hour laws extend to the employees of large agricultural corporations, processors, and/or producers who have an annual wage bill of more than $1,000 a year, or employ more than 15 employees simultaneously?

[14] Ibid., pt. 47, p. 17263.

The Secretary of Agriculture, in a letter to Senator E. D. Thomas on May 11, 1939, wrote:[16]

"Wage exemption should be limited to workers employed by farmers engaged on the farms in growing and preparing farm products for market. Even on the farm when workers, agricultural or processing, are employed in large numbers for considerable periods in connection with the large-scale semi-industrialized operations there is reason for including them under provisions designed to benefit labor generally. Most farms in America have no hired workers. On those farms which have a man or two, regularly or in certain seasons, no questions are likely to arise which cannot be settled equitably by the persons concerned. However, when workers are employed on the farm in large numbers, the individual workman is at the same disadvantage in dealing with his employer as the worker in large-scale industry and should be entitled to the same protection."

Recommendations for the extension of Federal wage-hour regulation to agricultural workers have emphasized "large-scale farming" or "industrialized agriculture" as the field to which such regulation is deemed advisable. These terms are generally used to distinguish such farms from what may be referred to as the "traditional or typical American family farm." A well-stated descriptive definition of the terms "family farm" and "typical American farmer" is quoted by Dr. P. S. Taylor from Dr. J. Schafer's The Social History of American Agriculture:[17]

"The farmer is one who operates a 'family-sized farm' for a living rather than for 'an actual or potential modern fortune': a farm on which the owner and his son or sons can perform the actual work of tillage, the female members of the household smoothing the way by providing home comforts, assisting about chores, or in field or meadow as pressure of work may dictate. Hired men are rather the exception than the rule in this typical agriculture. So far as they are employed, it is usually with the instinctive purpose of raising the labor force to the normal family plane rather than in the hope of abnormally expanding the business beyond the family farm size."

Without attempting to produce a definition of an "industrialized farm" mention may be made of some of the principal characterists often associated with it. It is a large-scale enterprise, highly commercialized in its specialized crop production; it is a relatively large employer of labor, particularly during seasonal operations when gangs of seasonal labor, often migratory, are hired and commonly paid wages by the day or hour or piece rates. Corporate or absentee ownership is often associated with such farming; managers, foremen, labor, "bosses," or contractors are frequently met with on such farms. Hiring and firing on these farms closely resembles the old-fashioned industrialized pattern, with the management assuming no financial or moral responsibility for the welfare of the workers outside of the brief periods of their employment. The employer-employee relationship is generally devoid of the personal and intimate relationship that is often associated with the traditional relations of the small, typical farmer and his hired man.

IV. ECONOMIC EFFECTS OF EXTENSION OF WAGE AND HOUR REGULATION

Fundamental to any consideration of the possibility of extending the act to agriculture is the economic effects of such action. If, after such an analysis, the extension of the act appears to be appropriate, it follows that similar extension to labor engaged in processing agricultural commodities would be required. It has been indicated previously that one of the primary reasons for the present exemptions for processing labor has been the difficulty presented in determining where agriculture ends and industry begins. This ground for exemption of processing operations would have no validity if the provisions of the act were extended to agriculture. Moreover, there has been a marked tendency in recent years toward the integration of marketing and processing activities with farming. This tendency would seem to provide another reason for treating all such processing operations wherever performed as equally subject to the act.

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[15] Statement of Secretary of Labor before a subcommittee of the Committee on Education and Labor (S. Res. 266, 74th Cong.), U. S. Senate, May 6, 1940.

[16] Letter on S. 2008 to E. D. Thomas, chairman, Senate Committee on Education and Labor.

[17] Testimony of Dr. P. S. Taylor, op. cit., pt. 47, p. 17215.

The problem of hour regulation for the industries preparing and processing agricultural commodities would still present some difficulties. Not only are these products normally of a highly perishable nature but the season of operations is often so short that some workers feel that it is to their advantage to work long hours in order to increase their seasonal earnings. However, the same reasons which make some limitation on hours of work desirable for industry in general apply with equal force to these seasonal industries. The problem, therefore, becomes one of determining the number of hours of work which will not result in "conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers." Sufficient research has not yet been done on this subject to warrant discussion here.

1. *Conditions underlying the recommendations for extension of the act to agriculture.*—The economic conditions that have prompted the previously quoted statements in favor of the extension of wage hour regulation to agricultural laborers are manifold in character. In basic outline, however, these conditions are the same as those which led Congress to enact the existing legislation for industrial workers.

That the annual earnings of the great majority of agricultural workers are inadequate to maintain "a minimum standard of living necessary for health, efficiency, and general well-being" is indicated by the available studies of farm laborers' incomes. Information on the earnings of migratory farm workers, which has been summarized by N. A. Tolles, of the Bureau of Labor Statistics, shows, as he states, that "such wages are clearly inadequate for any decent level of existence." [18]

The average annual earnings per hired farm worker may be computed roughly from the United States Department of Agriculture estimates of the total farm wage bill and the average number of hired workers during the year. The average annual income per hired worker computed in this manner for the period 1934–36 was $258, including the value of board, lodging, and any other perquisites furnished. For 1938 the average wage income per hired worker computed from the wage bill was $300, while the figure for 1939 was practically the same. Since these earnings reflect part-time employment it is of interest to note that the average annual earnings per farm worker assuming full-time employment at the average monthly wage rate prevailing in 1939 would have amounted to $430.[19]

Low-wage conditions bring about the same social and economic evils in agriculture as in industry. The competitive advantage secured by some producers as a result of low wages contributes to the spreading and maintenance of law-wage levels. Strikes and civil strife in agriculture, often marked by serious violence, have been principally an outgrowth of the economic conditions of farm laborers. These strikes occurred with greatest frequency during the rapid fall in farm wage rates with the onset of the depression in 1929–30. While in the 1927–29 period only 1 to 4 strikes, involving a total of from 100 to 400 agricultural workers, occurred per year, the number of agricultural strikes increased to 10, involving a total of 14,000 workers, in 1931, and to 50 strikes in 1933 involving a total of 59,000 workers.[20] It is significant to note that most of the agricultural strikes occurred in those branches of agriculture in which there is a relatively heavy concentration of large-scale, intensive farming and the migratory type of labor predominates. Out of the 157 strikes reported from 1927 to 1936, 114 were among fruit, vegetable, and truck-crop workers.[21] California, which has the largest proportion of large-scale farms of any State in the country, had slightly over half of all the agricultural labor strikes that occurred in the decade 1930–40.[22]

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[18] A Survey of Labor Migration Between States, Monthly Labor Review, July 1937, U. S. Department of Labor.

[19] Based on 12 months of employment at the prevaiilng all-cash wage per month.

[20] Report of the Secretary of Agriculture, 1937, p. 39.

[21] Report of the Secretary of Agriculture, 1937, p. 39.

Further evidence of the need for some regulation of agricultural wages is afforded by the marked divergence between the trend in farm wages and in farm income since 1933. This is indicated in the data presented in table 1. It will be noted that by 1933 total cash farm income and average farm wage rates had both decreased to approximately half of their 1924–29 average. Beginning with 1933, farm income climbed to 85 percent of the 1924–29 average by 1937, while farm wage rates lagged behind each year and in 1937 were only at 71 percent of the 1924–29 level. The subsequent recession in farm income reduced this disparity somewhat, but average farm wage rates in 1939 were still at 70 percent of the post-war (1924–29) level, while cash farm income was at 79 percent of that level.

In contrast with the trend in farm wages has been the trend in wage rates of all nonagricultural workers. The average hourly earnings of nonagricultural workers also reached their lowest depression level in 1933, but they dropped only to 78 percent of the 1924–29 average, in contrast with a decline to 48 percent of that average in farm wage rates. By 1939 average hourly earnings of nonagricultural workers were 3 percent higher than in 1924–29, while farm wage rates were 30 percent lower (table 1).

TABLE 1.—*Index numbers of cash farm income, farm and non-farm wage rates, and annual average wage incomes per farm worker and per factory worker, United States, 1924–39*

[1924-29=100]

Year	Cash farm income	Wage rates		Average annual wage income per—	
		Farm	Non-farm [1]	Hired farm worker [2]	Factory worker
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
1924	94.3	98	97	98.6	97.2
1925	101.6	99	99	100.0	99.0
1926	97.9	101	100	101.6	100.2
1927	99.5	101	101	100.5	100.5
1928	102.5	101	101	99.3	101.4
1929	104.3	101	102	99.8	101.7
1930	82.6	94	100	92.4	94.5
1931	58.4	73	95	72.9	84.8
1932	43.5	54	81	54.2	68.8
1933	50.3	48	78	49.1	66.7
1934	62.5	54	88	55.1	73.5
1935	70.5	58	90	60.0	79.2
1936	79.1	62	92	64.1	84.5
1937	84.7	71	101	71.8	94.1
1938	75.1	70	102	69.4	86.9
1939	79.2	70	103	70.1	93.5

[1] Hourly earnings of nonagricultural wage workers.
[2] Includes board, lodging, and other perquisites.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics and U. S. Department of Labor, Bureau of Labor Statistics.

A comparison in the trends of wage incomes of hired farm workers and the wage incomes of industrial workers may be made on the basis of total wage bills and employment for these two large classes of workers (table 1). The average annual wage income per worker in all manufacturing industries had declined in 1933 to two-thirds of the 1924–29 average, but by 1939 had increased to 94 percent of that average. The average annual income per hired farm worker from agricultural employment (including the value of board, lodging, and perquisites furnished) in 1939 was still at 70 percent of the post-war base period.

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[22] Numbers, distribution, composition, and employment status of the Farm Labor Group in the United States, statement of W. T. Ham and J. C. Folsom, of the Bureau of Agricultural Economics before the subcommittee of the Senate Committee on Education and Labor, May 8, 1940.

The figures above cited indicate that agricultural wage earners failed to share proportionately in the gains made since 1933 both in farm and nonfarm incomes. Many factors have contributed to this development, but the principal one is probably the pressure on farm-wage rates of surplus farm workers and unemployed industrial workers. The existence of such pressure upon farm wages plus the cumulative effects on farm income of surplus farm produce and restricted foreign markets for agricultural commodities constitute depressing influences on farm-wage rates which subject the entire agricultural wage structure to the effects of severe competitive conditions.

Students of the farm-labor problem have indicated that the immediate future holds no prospect for an automatic advancement in farm-wage rates that would reestablish the balance between farm wages and farm and nonfarm incomes that has existed in the past. As stated by the Secretary of Agriculture in his 1937 report:[23]

"Along with other agricultural groups, hired farm workers suffered severely during the depression; but when recovery got under way they did not share proportionately in the benefits * * *. Farm wages advanced somewhat after 1932, but not sufficiently to bring them back to their post-war relation to farm prices and city wages. They are now at about the same level as farm prices relatively to the pre-war averages but considerably lower than the average city-wage earnings. It would be necessary to raise them 25 percent higher in order to restore them to the post-war relation to farm prices, farm income, and city-wage rates. There is little prospect of that in the near future. Farm wages depend greatly on the income of the farmers, and normal crops during the next few years may reduce farm prices and farm incomes. There is no certainty, moreover, that industrial employment will continue at its present relatively high level. Moreover, technical progress in agriculture will undoubtedly continue, and the competition of other countries for a restricted world market will continue likewise. These factors in the outlook for farm wages discourage the hope that improved living standards and greater economic security for farm laborers will come about automatically."

A more recent statement of somewhat the same viewpoint was made by L. H. Bean, of the Department of Agriculture.[24] He said:

"Farm wage rates since 1932 have not borne the same relation to farm and nonfarm income as they did throughout the period 1910–32. They seem to be at present at least 15 percent lower than the past relationship would suggest. * * * The pressure of surplus farm labor and of industrial unemployment on farm wage rates is not likely to be lifted in the immediate future by ordinary developments. * * * These facts and trends indicate that the aggregate amount of money purchasing power that is likely to be available to hired farm labor in general in the immediate future will continue to be inadequate if hired farm laborers are to enjoy a higher standard of living."

The vulnerability of farm wage rates and farm workers to the forces of competition that have become especially serious in late years indicates a need for some form of regulatory action which would limit the effect of competition on farm wages. The Department of Agriculture has done, and is continuing to do, a great deal to maintain and improve the income levels of farm operators. The industrial wage structure has been given protection by Congress through the enactment of the Fair Labor Standards Act. There remains the problem of devising some means of protecting the most disadvantaged group of workers in our society, farm wage earners, particularly those who do not have the benefit of the somewhat more permanent type of employment which characterizes the regular hired hand employed on the smaller farms.

2. *Economic factors governing the extension of minimum-wage regulation to agriculture.*—The economic effects of the extension of minimum-wage regulation

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[23] Pp. 36 and 38.

[24] Trends in Farm Wages, Farm and Nonfarm Income, Industrial Production and Unemployment. Statement presented before the subcommittee of the Senate Committee on Education and Labor, May 1940.

to agricultural workers would depend, of course, on the particular statutory and administrative form that such an extension might take. The simple extension of the present provisions of the act by elimination of the complete exemptions now provided for agriculture would raise one set of economic considerations, while the extension of the principle of the act to agriculture, with the particular standards to be worked out after appropriate study of agricultural conditions, would give rise to an entirely different set of economic considerations. Since the present act was framed to cover nonagricultural employment, with the definite exclusion of agricultural workers in mind, a discussion of possible economic effects on agriculture of minimum-wage regulation may be more useful if the discussion is based on the premise that the principle of the Fair Labor Standards Act might be extended to agriculture rather than the specific statutory provisions.

Basic to any consideration of Federal minimum-wage regulation for agricultural workers are the following factors: (1) Employment of hired workers in agriculture; (2) the wage structure; and (3) the cost burden that prescribed wage standards would involve for the industry or branches of the industry.

(*a*) Employment of hired workers in agriculture: Only a small proportion of farms hire labor at any time during the year, with the result that there is a concentration of the majority of hired workers on a very small fraction of the farms in the country. This is indicated by estimates of the distribution of farms according to the numbers of hired workers in July 1935 (tables 2, 2A, and 2B).[25] Only 1 farm in 5 (21.8 percent) used any hired labor in the peak (or near peak) operating month of July. Farms with 4 or more hired workers represented only 3 out of every 200 farms (1.6 percent) in the United States, but they employed 35 percent of all hired farm workers at the height of seasonal operations.

TABLE 2.—*Cumulative distribution of farms and hired laborers by number of hired laborers per farm, January and July 1935*

Number of hired laborers	Farms						Hired farm laborers			
	Number		Percent of all farms		Percent of farms hiring labor		Number		Percent	
	January	July (estimate)	January	July (estimate)	January	July (estimate)	January	July (estimate)	January	July (estimate)
1 or more	967,594	1,482,697	14.20	21.76	100.0	100.0	1,645,602	2,679,340	100.0	100.0
2 or more	244,949	408,299	3.60	5.99	25.3	27.5	922,957	1,604,942	56.1	59.9
3 or more	107,279	183,880	1.57	2.70	11.1	12.4	647,617	1,156,104	39.4	43.1
4 or more	63,809	109,535	.94	1.61	6.6	7.4	517,207	933,069	31.4	34.8
5 or more	41,325	70,994	.61	1.04	4.3	4.8	427,263	778,905	26.0	29.1
6 or more	28,790	49,700	.42	.73	3.0	3.4	364,528	672,435	22.2	25.1
7 or more	20,570	36,129	.30	.53	2.1	2.4	315,278	591,009	19.2	22.1
8 or more	16,840	29,598	.25	.43	1.7	2.0	289,168	545.292	17.8	20.4
9 or more	15,006	23,269	.22	.34	1.3	1.6	258,496	494,660	15.7	18.5
10 or more	11,410	20,122	.17	.30	1.2	1.4	244,132	466,337	14.8	17.4

Source: U. S. Census of Agriculture 1935 and Monthly Labor Review, September 1937, U. S. Department of Labor. (The July estimates were made by J. T. Wendzel, of the Social Security Board.)

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[25] Census of Agriculture data represents employment as of January 1, 1935. Since employment on farms is generally the lowest of the year in January, estimates of the number of hired farm workers in July are more significant. The estimates used here are those made by Dr. J. T. Wendzel, of the Social Security Board, which were reproduced in the Monthly Labor Review, September 1937.

Table 2A.—*Cumulative distribution of farms and laborers by number of hired laborers per farm, and by geographic divisions, January and July 1935*

Geographic division	Total number of farms	Number of farms with—			Number of hired laborers on farms with—		
		1 or more hired laborers	4 or more hired laborers	8 or more hired laborers	1 or more hired laborers	4 or more hired laborers	8 or more hired laborers
United States:							
January	6, 812, 350	967, 594	63, 809	16, 840	1, 645, 602	517, 207	289, 168
July (estimate)	6, 812, 350	1, 482, 697	109, 535	29, 598	2, 679, 340	933, 069	545, 292
New England:							
January	158, 241	37, 279	2, 500	607	63, 440	18, 623	9, 491
July (estimate)	158, 241	45, 617	2, 921	719	77, 875	23, 184	12, 712
Middle Atlantic:							
January	379, 684	93, 669	4, 028	873	139, 065	28, 727	13, 550
July (estimate)	379, 684	107, 433	5, 256	1, 237	173, 902	46, 335	26, 819
East North Central:							
January	1, 083, 687	175, 296	3, 839	792	224, 444	26, 219	11, 515
July (estimate)	1, 083, 687	279, 540	7, 444	1, 489	361, 519	43, 064	14, 672
West North Central:							
January	1, 179, 856	155, 440	3, 452	509	196, 158	21, 087	7, 133
July (estimate)	1, 179, 856	265, 955	6, 360	1, 041	346, 897	41, 743	16, 535
South Atlantic:							
January	1, 147, 133	186, 615	17, 557	4, 445	358, 175	135, 045	71, 341
July (estimate)	1, 147, 133	232, 014	21, 640	5, 132	446, 181	166, 650	86, 230
East South Central:							
January	1, 137, 219	93, 904	7, 411	1, 507	160, 025	48, 583	20, 103
July (estimate)	1, 137, 219	123, 686	8, 858	1, 794	210, 388	62, 340	28, 403
West South Central:							
January	1, 137, 571	121, 439	12, 412	3, 861	259, 426	116, 010	74, 438
July (estimate)	1, 137, 571	222, 256	21, 310	5, 690	457, 434	193, 914	118, 268
Mountain:							
January	271, 392	39, 281	4, 024	1, 204	84, 141	37, 584	23, 656
July (estimate)	271, 392	75, 613	10, 537	2, 674	165, 116	70, 372	32, 185
Pacific:							
January	299, 567	64, 671	8, 586	3, 042	160, 728	85, 329	57, 941
July (estimate)	299, 567	130, 583	25, 209	9, 822	440, 008	285, 467	209, 468

Source: U. S. Census of Agriculture 1935 and Monthly Labor Review, September 1937, U. S. Department of Labor.

Table 2B.—*Percentage distribution of farms and laborers by number of hired laborers per farm, and by geographic divisions, January and July 1935*

Geographic division	Percent of all farms with—			Percent of hiring farm with—		Percent of hired laborers on farms with—	
	1 or more hired laborers	4 or more hired laborers	8 or more hired laborers	4 or more hired laborers	8 or more hired larobers	4 or more hired laborers	8 or more hired laborers
United States:							
January	14. 2	0. 9	0. 2	6. 6	1. 7	31. 4	17. 6
July (estimate)	21. 8	1. 6	. 4	7. 4	2. 0	34. 8	20. 4
New England:							
January	23. 6	1. 6	. 4	6. 7	1. 6	29. 4	15. 0
July (estimate)	28. 8	1. 8	. 5	6. 4	1. 6	29. 8	16. 3
Middle Atlantic:							
January	24. 7	1. 1	. 2	4. 3	. 9	20. 7	9. 7
July (estimate)	28. 3	1. 4	. 3	4. 9	1. 2	26. 6	14. 5
East North Central:							
January	16. 2	. 4	. 1	2. 2	. 5	11. 7	5. 1
July (estimate)	25. 8	. 7	. 1	2. 7	. 5	11. 9	4. 1
West North Central:							
January	13. 2	. 3	. 04	2. 2	. 3	10. 8	3. 6
July (estimate)	22. 5	. 5	. 1	2. 4	. 4	12. 0	4. 8
South Atlantic:							
January	16. 3	1. 5	. 4	9. 4	2. 4	37. 7	19. 9
July (estimate)	20. 2	1. 9	. 4	9. 3	2. 2	37. 4	19. 3
East South Central:							
January	8. 3	. 7	. 1	7. 9	1. 6	30. 4	12. 6
July (estimate)	10. 9	. 8	. 2	7. 2	1. 5	29. 6	13. 5

TABLE 2B.—*Percentage distribution of farms and laborers by number of hired laborers per farm, and by geographic divisions, January and July 1935*—Con.

Geographic division	Percent of all farms with—			Percent of hiring farm with—		Percent of hired laborers on farms with—	
	1 or more hired laborers	4 or more hired laborers	8 or more hired laborers	4 or more hired laborers	8 or more hired larobers	4 or more hired laborers	8 or more hired laborers
West South Central:							
January	10.7	1.1	0.3	10.2	3.2	44.7	28.7
July (estimate)	19.5	1.9	.5	9.6	2.6	42.4	25.9
Mountain:							
January	14.5	1.5	.4	10.2	3.1	44.7	28.1
July (estimate)	27.9	3.9	1.0	13.9	3.5	42.5	19.5
Pacific:							
January	21.6	2.9	1.0	13.3	4.7	53.1	36.0
July (estimate)	43.6	8.4	3.3	19.4	7.5	64.9	47.6

Source: Based on data in table 2A.

Regional differences in the distribution of hired farm workers are indicated by the data in tables 2A and 2B. The greater prevalence of large-scale farming in Arizona and California results in a higher proportion of farms with four or more workers in the Mountain and Pacific States than in any other region in the United States. The heavy concentration of total hired workers on a small proportion of all farms is, however, characteristic of each section of the country.

A number of advocates of the extension of minimum wage regulation to agricultural workers previously quoted have limited the proposed extension to workers on "large scale" farms. A precise definition of "large scale" farm presents many difficulties. It is assumed, but purely for the purpose of discussion, that farms which systematically employ for regular operations four or more hired workers might come under a definition of large-scale farms. Farms with this number of workers in January 1935 are shown by the census to have averaged 1,522 acres per farm and to have an average investment value in land and buildings of $35,775, compared with averages for all farms in the United States of 155 acres and $4,823, respectively. Extension of the minimum wage regulation to such farms would affect an estimated 1,075,000 workers employed at the height of seasonal operations on about 111,400 of the country's 6,920,000 farms.[26]

(*b*) Wage structure: The only comprehensive data on farm wage rates are those published quarterly by the United States Department of Agriculture based on reports from a sample of farmers who comprise a part of the Department's voluntary crop reporters. The reported and published rates are average wage rates and are based upon the mailed replies to questions calling for the average per month and per day rates currently paid in the reporter's locality. One limitation of the existing data is that no information has been published on the distribution of farm workers receiving wage rates at given levels above and below the average rates. Knowledge of this wage structure is essential to an analysis of the possible effect of a given minimum wage on the labor costs or wage bill of an industry. Another limitation of the available farm wage data arises from the question of the adequacy and reliability of the published day rates in reflecting the earnings of workers who are paid on an hourly and piece-rate basis rather than on a per day basis.[27] This is a very important factor since a great many of the casual and seasonal workers, both resident and migratory, who are employed on the large farms are paid piece or hourly rates. The wage data here presented are the cash wages paid to workers who do not receive board as part of their compensation.[28]

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[26] Estimated by taking 34.8 percent of all hired farm workers in July 1939 and 1.61 percent of all farms in the country in 1939. It is these percentages of farms and of workers that were employed on farms with four or more hired workers in July 1935. These estimates assume, of course, that the proportion of total hired farm workers and of total farms on which workers were employed in groups of four or more was the same in 1939 as in 1935.

[27] See report on Reliabiilty and Adequacy of Farm Wage Rate Data by R. F. Hale and R. L. Gastineau, United States Department of Agriculture, Agricultural Marketing Service, February 1940, p. 3.

Table 3 presents the per day and per month cash wage rates and the equivalent hourly earnings for the United States as a whole from 1929 to date.[29] It will be noted that the equivalent hourly earnings of farm workers hired by the day have averaged between 15 and 16 cents since 1938. The hourly earnings of farm workers hired on a monthly basis have averaged between 14 and 15 cents during the same period. In 1929 the equivalent hourly earnings of farm workers were 20.5 cents for those paid by the month, and 22.5 cents for those paid by the day. From this predepression level farm-wage rates had declined by 1933 to 10 and 11 cents an hour, and rose again from 1933 to 1937 to an equivalent of 15 and 16 cents an hour, respectively. From the standpoint of minimum wage regulation, the hourly earnings computed from the day rates may be more significant since most of the casual and seasonal workers are not hired on a monthly basis.

TABLE 3.—*Average wage rates and equivalent average hourly earnings of farm workers hired by the month and by the day without board: United States, 1929–40*

Year	Wage rates		Equivalent hourly earnings of workers hired by the [1]—	
	Per month	Per day	Month	Day
	Dollars	*Dollars*	*Cents*	*Cents*
1929	51.22	2.25	20.5	22.5
1930	48.10	2.08	19.2	20.8
1931	38.38	1.62	15.4	16.2
1932	28.88	1.20	11.6	12.0
1933	25.67	1.11	10.3	11.1
1934	28.19	1.26	11.3	12.6
1935	30.24	1.33	12.1	13.3
1936	32.28	1.42	12.9	14.2
1937	36.32	1.61	14.5	16.1
1938	35.63	1.58	14.3	15.8
1939	35.85	1.56	14.3	15.6
1940, Jan. 1	35.27	1.55	15.2	16.7
1940, Apr. 1	36.41	1.55	15.3	16.3

[1] Converted to hourly equivalents by using 25 working days per month and a 10-hour workday for the yearly average wage rates.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics and Agricultural Marketing Service. Revised series.

Table 4 reveals a pronounced diversity in wage rates among the major geographic divisions of the country. In contrast with the Pacific, Mountain, Middle Atlantic, and New England States, where wage rates averaged from 20 to 30 cents an hour in 1939 or 1938 for workers hired by the day, are the Southern and Southwestern States where the corresponding hourly earnings have averaged from 10.5 to approximately 12.5 cents. The hourly earnings of workers paid by the month is lower than the corresponding figures for those paid by the day in each section of the country.

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[28] Farm workers frequently receive other perquisites besides board and lodging. These may consist of certain food products produced on the farm, fuel or light, or such services as transportation to and form work, laundry privileges or other miscellaneous items. The cash value of all these other perquisites besides board and lodging has been estimated by the Bureau of Agricultural Economics to average for the country as a whole from 10 to 13 percent of the annual wage bill (cash wages plus board and lodging) during the 1933–38 period. No allowance has been made in the wage-rate data presented above for the value of these other perquisites.

[29] Data used to convert the wage rates into hourly equivalents are shown in table 6.

Table 4.—*Average hourly earnings equivalents*[1] *of per month and per day wages, without board,*[2] *paid to hired farm workers, by geographical regions—January 1938–April 1940*

Region	1938									
	January		April		July		October		Average 1938	
	Per month	Per day	Per month	Per day	Per month	Per day	Per month	Per day	Per month	Per day
	Cents per hour	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*
United States	14.9	16.7	14.2	16.3	14.3	15.7	14.3	15.7	14.3	15.8
New England	21.6	25.7	22.3	25.5	22.7	25.9	22.3	26.1	22.3	25.9
Middle Atlantic	18.2	23.7	18.4	23.2	18.1	23.0	18.0	23.4	18.1	23.2
East North Central	15.6	20.4	16.6	20.4	16.0	20.6	15.9	20.6	15.9	20.4
West North Central	13.6	18.2	15.7	19.4	14.9	19.5	14.4	19.4	14.7	19.3
South Atlantic	11.1	13.2	10.5	12.4	9.6	11.3	10.0	11.8	10.2	12.1
East South Central	10.1	11.5	9.8	10.8	9.0	10.1	9.1	10.3	9.4	10.5
West South Central	12.3	13.9	11.6	13.0	11.1	12.5	11.1	12.4	11.4	12.8
Mountain	21.1	23.2	21.9	23.5	22.1	23.8	21.1	23.5	21.5	23.5
Pacific	30.1	32.1	30.0	31.6	29.0	30.5	26.4	28.8	28.4	30.3

Region	1939									
	January		April		July		October		Average 1939	
	Per month	Per day	Per month	Per day	Per month	Per day	Per month	Per day	Per month	Per day
	Cents per hour	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*	*Cents per hour*
United States	15.0	16.5	14.9	16.1	13.9	15.3	14.3	15.5	14.3	15.6
New England	22.1	25.9	22.5	27.2	22.7	26.8	23.6	27.3	22.8	26.8
Middle Atlantic	18.0	22.4	18.2	22.6	17.7	22.6	17.9	23.0	17.9	22.7
East North Central	15.2	19.4	16.5	20.5	15.9	20.5	16.0	20.7	15.9	20.3
West North Central	13.7	17.9	15.5	18.9	14.7	19.3	14.4	19.4	14.6	19.0
South Atlantic	11.1	13.1	10.5	12.3	9.6	11.4	10.1	12.1	10.2	12.2
East South Central	10.1	11.6	9.9	11.0	9.2	10.2	9.1	10.3	9.5	10.6
West South Central	11.9	13.2	11.5	12.6	11.8	12.4	11.0	12.4	11.3	12.6
Mountain	20.5	23.2	21.9	23.9	22.1	24.1	21.2	22.9	21.6	23.5
Pacific	28.1	29.4	28.0	29.9	28.1	29.7	28.5	29.7	28.4	29.8

Region	1940			
	January		April	
	Per month	Per day	Per month	Per day
	Cents per hour	*Cents per hour*	*Cents per hour*	*Cents per hour*
United States	15.2	16.7	15.3	16.3
New England	22.8	25.8	22.6	25.8
Middle Atlantic	17.8	22.6	18.5	22.9
East North Central	15.2	19.7	16.7	20.4
West North Central	13.7	18.2	13.6	18.9
South Atlantic	11.1	13.3	10.9	12.7
East South Central	10.3	11.6	10.1	11.2
West South Central	12.0	13.2	11.6	12.6
Mountain	21.6	23.8	22.1	23.4
Pacific	29.6	30.3	29.2	30.1

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[1] Hourly equivalents computed from per month and per day wage data and average hours worked per day released by the Department of Agriculture. 25 working days per month used in converting the monthly rates.

[2] The wage rates are for workers who receive no part of their compensation in the form of board and lodging although they may receive some other perquisites.

From the farm-wage data presented, two tentative conclusions may be drawn. The first is that the statutory minimum-wage rates required by the Fair Labor Standards Act cannot be applied in their present form (i. e., uniformly applicable throughout the country) to agricultural workers without substantially increasing costs to producers employing farm labor. However, a flexible program of minimum-wage regulation carried on through industry committees or other administrative wage boards would probably find it economically possible to set minimum-wage levels by commodities, or types of agricultural operations, wages varying from possibly 15 to 30 cents an hour. Commodity differences in the wage minima would reflect both differences in the economic conditions surrounding the production of the various commodities, as well as the need for an adjustment period to eventual higher wages.

(*c*) Effect of minimum-wage regulation on agriculture costs of production: It has been mentioned previously that the effects of the extension of minimum-wage regulation on farm costs of production would depend upon the particular wage level that is set and the relation of this level to the existing employment and wage structure. It would also depend upon the importance of wage payments in agriculture in relation to all other items that enter into agricultural costs of production, i. e., the ratio of labor costs to total costs in the industry.

On the basis of Department of Agriculture unpublished data showing a frequency distribution of farm-wage rates for a limited number of States, a 15-cent minimum wage, for example, would appear to have hardly an appreciable effect on the farm-wage bill (monthly or annual) in States where average wage rates of more than 20 cents an hour prevailed. In States with average wages of 15 to 20 cents an hour, the effect on the farm-wage bill of a 15-cent minimum also appears to be very small. It is only in those States where average wages are appreciably below 15 cents an hour that the indicated minimum wage would have a substantial effect on the farm-wage bill. In the Northern, North Central, and Western States a 15-cent minimum wage would have but a very small effect on the wage bills in these areas. In certain southern agricultural areas, however, the same minimum wage might result in a substantial increase in labor costs.

The cost burden placed on the agricultural industry by any minimum-wage regulation must be viewed in terms of the effect on total costs rather than on wage expenditures alone. Since wage costs are only a part of all production costs the effect of any minimum wage on total costs of production will be less than on the wage bill. The limited amount of information now available indicates, for example, that a 15-cent minimum wage would probably have only a minute effect on total agricultural production costs in most sections of the country. The same low minimum, however, might give rise to a significant increase in production costs in certain southern agricultural areas. This difference in cost effects likely to follow from the inauguration of minimum wages for agricultural workers merely emphasizes the fact that serious consideration would have to be given to commodity or type of farming differences in the determination of appropriate wage minima. Here, again, the Industry Committee approach might prove to be highly useful.

3. *Hours of work and maximum-hour regulation in agriculture.*—The number of hours worked per day by hired farm workers, as determined in a survey by the Department of Agriculture, together with estimated year-round averages, are summarized in table 5 for the 1939–40 period. While agricultural work is dependent to a great extent on weather conditions, the figures on length of the workday represent averages for large sections of the country, so that abnormal weather conditions in particular localities may be expected to have been offset by opposite conditions in other localities.

TABLE 5.—*Average number of hours worked per day by hired farm workers on specified dates, by geographic regions*

Region	Number of hours			
	Sept. 1, 1939 [1]	Dec. 1, 1939 [1]	Mar. 1, 1940 [1]	Estimated average [2]
United States	10.1	9.3	9.5	10.0
New England	9.9	9.9	10.0	10.0
Middle Atlantic	10.2	9.8	10.0	10.1
East North Central	10.5	10.0	9.9	10.3
West North Central	10.9	9.7	9.9	10.4
South Atlantic	9.8	9.0	9.3	9.7
East South Central	10.0	8.9	9.3	9.7
West South Central	10.0	9.0	9.4	9.7
Mountain	9.9	9.0	9.3	9.6
Pacific	9.4	8.9	8.9	9.1

[1] As reported by the U. S. Department of Agriculture, Agricultural Marketing Service.

[2] Weighted average for all seasons of the crop year. The volume of employment during the corresponding seasons of 1939 was used as weights. These averages were arrived at by first estimating the length of the workday on or about June 1 and then averaging the four quarters. Examination of the data indicated a fairly consistent relationship between the length of the workday for the periods reported and the volume of employment during the parts of the season for which the reported dates may be taken as representative. The shortest workday was generally characteristic of the inactive winter months with a slightly longer workday during the early spring months and a still longer day during the fall. Bases upon this general relationship between the length of the workday and the volume of employment, as well as upon the consideration that longer days of natural daylight are available during the summer months of June or July, tentative estimates were made for the probable length of the workday on or about June 1, so as to provide a picture of the length of the workday during all of the characteristic seasons of the year.

For the country as a whole, hired farm workers averaged a 9.3-hour workday on December 1, 9.5 hours on March 1, and a 10.1-hour day on September 1. For the year as a whole, the average length of the workday was estimated as 10 hours. The longest days were worked in the North Atlantic and North Central States, where the average workday during the various seasons of the year varied from approximately 10 to 11 hours per day. In the Southern, South Central, and the Mountain States the typical workday during the various seasons of the year was slightly shorter. In the Pacific Coast States the typical farm workday for hired laborers was shorter than in any other section of the country, varying from 8.9 to 9.4 hours depending upon the season of the year.

The number of hours worked per week by agricultural laborers cannot be estimated, except for those hired on a monthly basis. Monthly workers generally work 25 days during each month, or 5¾ days per week.[30] For the country as a whole the usual number of weekly hours worked by hired farm laborers averages 58 throughout the year, and will vary from about 54 to 60 hours in the different seasons. In the various sections of the country the length of the average workweek for the year as a whole runs from about 53 in the Pacific States to 60 in the West North Central States. In the other sections of the country, a year-round average of 57 hours a week is roughly representative, with somewhat longer or shorter hours in the different seasons of the year.

For workers hired by the day, the weekly hours of work depend, of course, on the number of days of work obtained by them. It is quite likely that the returns from crop reporters of the Department of Agriculture reflect, as in the case of the wage data, working conditions in the general crop and livestock-producing areas where workers are typically hired either by the month or by the day. It is doubtful whether these working hours fully reflect the conditions characteristic of migratory workers, a large proportion of whom are piece workers. Workers paid piece rates generally work longer hours than other farm workers in order to maximize their earnings through the performance within the limited season, of as much work as possible.[31]

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[30] The figure of 25 days has generally been used by the farm management experts of the Department of Agriculture in various cost of production and other studies.

[31] Sugar-beet workers are typical in this respect. A study by the Children's Bureau of the U. S. Department of Labor states: "The working hours of beet laborers tend to be extremely long, reflecting both the traditional 10-hour day for agriculture and the pressure

Maximum hour regulation for agricultural workers presents many more difficulties than hours regulation for industrial workers. The close dependence of farm work upon natural and uncontrollable conditions, the unforeseeable interruptions in the work that frequently occur, and the highly seasonal character of many agricultural operations which must be performed within brief periods of time to avoid serious economic losses, are examples of practical considerations that render hours regulation for farm workers extremely difficult.

On the other hand, there can be no doubt but that many farm laborers work unreasonably long hours which are not justified by the normal demands for labor. The working hours of some farm workers probably reflect, in part, the same economic disadvantages and weaknesses in bargaining position as is sometimes the case with industrial workers.

The question of hours limitation for farm workers should be viewed, however, in the light of the practical achievement that a reasonable plan of hour regulation could accomplish. It is obvious that the hour requirements of the present act could not be applied to agriculture. Different hour standards would have to be devised for farm workers, and thesea requirements would have to be sufficiently flexible and provide adequate latitude in hours exemptions during seasonal operations. The limited benefits to be derived from reasonably flexible hours standards may be more than outweighed by the administrative and other difficulties that effective hours regulation would involve. There is even a question as to whether the large body of hired farm workers, whose employment period during the year is so brief and whose earnings are much too inadequate, would favor maximum-hours limitations.

It is quite possible that establishment of minimum wages would in itself bring about some shortening of the workday. The necessity of paying the worker for every hour that he works might well prove to be an incentive for rationalization of the work, or the hiring of additional help. There has been no compelling need in the past for farm employers to shorten hours of the workers they hire on a per month, week, or day basis. Minimum hourly wages should have a definite effect in that direction.

V. EXPERIENCE WITH MAXIMUM-HOUR AND MINIMUM-WAGE LEGISLATION APPLIED TO AGRICULTURAL LABOR

In the absence of direct experience with wage-and-hour regulation for agricultural labor, it appears worthwhile to review the experience of the agencies in this country and that of other countries which have had some experience with such legislation. The only pertinent experience in this country is the establishment of minimum wages for farm laborers under the Sugar Act of 1937. Other countries, however, have had considerable experience in applying wage-and-hour regulation to agricultural workers.

1. *Agricultural wage regulation in the United States—Sugar Act of 1937.*—Provision in the Sugar Act for the establishment of minimum wages in the production, cultivation, or harvesting of sugar beets or sugarcane was founded on the belief, expressed in the President's message to Congress on sugar legislation, that "if the domestic sugar industry is to obtain the advantage of a quota system it ought to be a good employer and to carry this out, legislation should prevent child labor and assure reasonable wages." [32]

In setting fair and reasonable minimum wages the Secretary of Agriculture uses as a guiding standard the insuring of a fair and equitable division among producers and workers of the proceeds derived from the growing and marketing of the sugar crops. Minimum wage rates have been set since 1937 for sugar-crop workers in Hawaii and Puerto Rico as well as in the continental United States.

The regulation of wages for agricultural workers covered by the Sugar Act is thus based on the well-founded recognition of the principle that farm workers should share equitably in the benefits accruing to producers from the Federal farm programs. The Secretary of Agriculture expressed this principle elsewhere as follows:

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on the workers to perform a maximum amount of work within a brief seasonal period. A workday from sunup to sundown, or, as aptly phrased by one worker, 'from kin see to can't see,' has not been uncommon among beet workers, even for the children." Welfare of Families of Sugar-Beet Laborers, 1939, p. 31.

[32] Report of the chief of the Sugar Division, 1939, U. S. Department of Agriculture.

"In seeking to advance the interests of agriculture, this Department has in view the welfare of all the people engaged in the industry, those who till the soil for hire as well as those who cultivate it as tenants or owners." [33]

As yet this principle has found statutory expression only in the case of sugar crops, although the direct and indirect benefits of Federal farm legislation have been directed in large measure to the producers of many other crops. During each of the years 1933 to 1939 the national cash farm income has been increased directly by cash-benefit payment from the Government in amounts ranging from $131,000,000 in 1933 to $807,000,000 in 1939.[34] In 1939 these benefit payments represented an addition of 10.5 percent to the total income from sales of farm products. Besides these direct benefits the incomes of agricultural producers have been aided by such other Federal farm measures as marketing agreements, crop loans, crop insurance, and Government purchases of surplus commodities. The right of agricultural workers to share equitably in these benefits has not, however, found legal protection for the mass of farm workers.

It is pertinent to note that wage rates of sugar-beet workers are now at 92 percent of their 1929 level, while general farm wages are at 69 percent of their 1929 level. This is due in large part to the protection afforded the wage scale of sugar-beet workers by the Government. Without such protection the wages of sugar-beet workers would in all likelihood have been substantially lower than the current level. This is illustrated by the changes in farm wage rates that occurred in 1937 and 1938. General farm wages in 1937 rose 13½ percent over 1936. Sugar-beet wages in 1937, prior to the Secretary's wage finding, had increased by only 6 percent. As a result of this finding, which was issued very late in the season, sugar-beet wages were increased with the result that the 1937 wage rates as set by the Secretary were 12.5 percent higher than in 1936. In 1938 general farm wages declined from 1937 while sugar-beet wages in accordance with the minimum set by the Secretary were again increased over the preceding year.

It is also of interest to note that the minimum wages for sugar-beet workers in California in 1939 called for certain minimum piece rates, or for minimum hourly rates of 35 to 45 cents, depending upon the particular operation. In other sugar-beet States minimum piece-rate wages were set and these rates for most areas did not differ greatly from the corresponding rates set for California. Sugar beets thus are an example of a commodity for the production of which minimum wages of even more than 30 cents an hour are apparently economically feasible.

It is well known that a large proportion of the workers in sugar-beet fields are of Mexican or other foreign extraction and that these workers have represented an important element in the migratory population. A bulletin published by the Children's Bureau reports: [35]

"Forty-one percent (385) of all the families interviewed were migratory; that is, they lived at the beet farms only during the working season. These families all lived in a different place while working beets in 1935 from that in which they expected to live during the coming winter, or, if uncertain as to their winter plans, from that in which they lived during the preceding winter."

2. Maximum-hour and minimum-wage legislation applicable to agricultural labor in foreign countries.—During the period from 1920 to 1940 several types of social legislation, including maximum-hour and minimum-wage legislation, were made applicable to agricultural laborers in a number of foreign countries. In some instances general legislation for commercial and industrial workers was extended to include agricultural workers; in other instances some modification of general legislation was used; and in still other instances special legislation was enacted for the benefit of agricultural workers. In discussing the reasons for each legislation a recent study of the British Wages Boards states: [36]

"In each of the three countries, Great Britain, New Zealand, and Australia, where national minimum-wage legislation has long obtained, inclusion of agricultural workers has closely followed enactment of minimum-wage laws covering industrial workers. That this has happened is largely due to the interaction between industrial and agricultural wages. Failure to coordinate agricultural and industrial wage rates tends to draw off the cream of the agricultural-labor supply into the industrial field, as well as to accentuate business crises. To a considerable extent agricultural workers are the potential purchasers of the goods and services produced by those employed in industry. If agricultural wages are low, the purchasing power of agricultural workers is relatively low and so is the intake of manufacturing and other industrial undertakings. The wage level of industrial workers even when protected by minimum-wage legislation is thus threatened unless the wage level of agricultural workers is similarly safeguarded. And conversely the prosperity of agriculture and consequently the level of agricultural wages depends largely upon the consuming capacity of the vast body of industrial employees."

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[33] Report of the Secretary of Agriculture, 1937.

[34] U. S. Department of Agriculture, Bureau of Agricultural Economics, mimeographed farm-income report, January 30, 1940.

[35] Welfare of Families of Sugar-Beet Laborers, Bureau of Publications No. 247, Children's Bureau, United States Department of Labor, 1939, p. 14.

[36] British Wages Board, A Study in Industrial Democracy, by Dorothy Sells, the Brookings Institution, Washington, D. C., April 1939, p. 140.

The effects of the world-wide agricultural depression and the resulting tendency on the part of various governments to institute measures to improve the condition not only of farmers but also of agricultural workers are discussed in a recent report of the International Labour Office.[37] This report states that the depression accentuated the labor problem in agriculture by greatly restricting the outlets to excess farm labor in other occupations or in emigration to other countries, which hitherto had kept the discrepancy in living standards of urban and rural workers within certain limits. Aid to agriculture by direct subsidies to producers became current in many countries and naturally gave rise to claims that wage-paid labor in agriculture should share proportionately in such subsidies. Despite this governmental aid, the effects of the depression have in many countries tended to spread the former discrepancies in economic status of industrial and agricultural workers to much larger layers of the farm population. The report notes the beginning of a new period of legislative measures to improve social conditions among rural populations:

"New legislation on hours of work, minimum-wage regulation, holidays with pay, subventions for rural housing, etc., are to be noted in several countries. In others again, attempts are now being made to solve the labour problem in agriculture by changing radically the status of the salaried worker within agricultural society."

(*a*) Hours of work: Regulation of hours of work in agriculture had some very rudimentary beginnings in such legislation as the Hungarian Act of 1898 which provided that the working day in agriculture should be from sunrise to sunset, with 1-hour breaks for resting and eating in the winter and 1½-hour breaks in the summer. Since that time regulation hours of work in agriculture has developed materially and at the present time takes several forms.[38] The legislation varies from a definite detailed limitation on hours of work to simple rules which restrict hours of work indirectly. In many countries regulation is dependent upon collective bargaining, in some countries collective bargaining and direct legislation supplement each other, and in others minimum wage-fixing machinery is a factor in regulating hours of work. The history of regulation of this kind indicates that the problem of placing some ceiling over hours of work has usually been approached in a gradual way, allowing for considerable flexibility according to practical needs.

In Czechoslovakia, Italy, Spain, and in two Argentine provinces general legislation for the 8-hour day or 48-hour week was applied to agriculture, with deviations from the established norm permitted either within a limited period of several weeks or over the whole year. Where an averaging of hours over the whole year to obtain the norm is permitted such regulation has little effect unless the norm is set at a very low level.

In Sweden a maximum working day of 10 hours was established, with work during three different periods of the year limited to 41, 46, and 54 hours a week, respectively. In most countries longer hours have been permitted at certain seasons of the year, such as during the harvest.

In Germany a maximum working day of 11 hours (except with overtime payments) was established for 4 specified months of the year. During another

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[37] Social Problems in Agriculture, Record of the Permanent Agricultural Committee of the I. L. O. (7–15 February 1938), Studies and Reports Series K (Agriculture), No. 14, International Labour Office, Geneva, 1938, pp. 18–19.

[38] All of the discussion which follows is based on legislation in effect in February 1938.

4 months of the year the working day was limited to 10 hours, and during the remaining 4 months, to 8 hours.

In Austria, labor codes fixed a minimum night rest and a minimum length of the daily breaks, thus indirectly regulating hours of work. This was combined with the establishment of an average working day over the whole year of 10 hours, allowing the hours at any one time to be determined according to the needs of the particular farm.

In England minimum wage-fixing machinery resulted in the establishment of a normal workweek limited to 48 hours during the winter and 52 hours during summer months. In Ireland the same procedure resulted in a week of 54 hours, and in Australia and New Zealand 44 hours for the special categories of agricultural workers covered. Where it was felt impracticable to regulate daily or weekly hours in New Zealand, such as on dairy farms, compensation was provided by establishing long holidays with pay.

In many countries, including Austria, Czechoslovakia, Denmark, France, Germany, Italy, the Netherlands, Norway, Poland, and Sweden, collective agreements have regulated the hours of work in agriculture. Under such agreements the daily maximum working day was fixed differently for various periods of the year, the length of the periods varying from several months down to 10 days. In some instances agreements fixed the length of the breaks and the time when work was to begin and end, as well as the daily limitation on hours.

(*b*) Minimum wages: Wage regulation is left to collective bargaining in many countries, but in no country have agricultural workers succeeded in obtaining agreements for all regions or all groups of workers. In some countries, including the Netherlands, Sweden, Czechoslovakia, Poland, Italy, and Austria, the workers received state assistance in establishing these collective agreements. Where state assistance is given in establishing agreements, it amounts in effect to state intervention in the regulation of wages.[39]

While regulation of wages of agricultural workers in any form is of fairly recent origin, in a considerable number of countries special legislation has been adopted for direct state intervention in the establishment of minimum wages.

The simplest form of wage regulation is the direct establishment of fixed-wage minima. Such legislation was adopted in Uruguay in the province of San Juan, Argentina, and for sugarcane cultivation in Cuba.

In other instances, special machinery was established for the fixing of minimum wages. In Mexico the Federal Labor Act of 1931 required the fixing of minimum wages by a local committee containing representatives of employers and workers, the decisions of these committees being subject to review by a control council for each State. In practice, lower rates were established for agricultural workers than for other types of labor.

In Estonia minimum wage rates were fixed for agricultural workers by wages committees. Agricultural employers and workers were to elect local boards which appointed district committees. There was also a central committee elected by the district committees, but neither the central committee nor the district committee had any government representation.

In Hungary the Minister of Agriculture was empowered to appoint local committees, either at the request of workers or on his own initiative, and these committees could fix minimum wages for agricultural workers.

In Germany state officials, known as labor trustees, were empowered to determine minimum conditions of employment for any particular group within their area, such rules being legally binding acts of the state. In practice, some of the old collective agreements were taken over and were replaced by these regulations.

England and Wales provide the outstanding example of minimum wage-fixing machinery for agricultural workers. Wage committees, in which employers and workers had equal representation, and outside representatives appointed by the Minister of Agriculture, were set up in each county. These committees fixed wage rates either in the form of a flat minimum rate or with varying rates for different groups of workers. A central agricultural wages board, whose main duty was to see that the local committees carried out their duties, but which had no power to influence the level of wages determined, was also established.

In Scotland an act was passed setting up regulatory authority, similar to the English system.

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[39] In the discussion dealing with minimum wages, as in that on hours of work, all of the material is based on legislation in effect in February 1938.

In Ireland a central agricultural wages board, consisting of a chairman, three neutral members, four employers' representatives, and four workers' representatives, was established. Wage area committees were also established and the central board fixed wage rates after consulting the area committees. The Irish system differed from the English system in that it assumed that employers and workers were unorganized, and it was the central wages board rather than the local committees which had the wage-fixing authority.

In New Zealand a third type of State intervention was used. Definite minimum wages were established by statute, with the provision that an order in council might apply these wages with necessary modifications to particular groups of agricultural workers. Since another act provided for the establishment of a fixed price for agricultural products, the wages to be paid agricultural workers were in principle linked to the prices of the products.

TESTIMONY OF L. W. CASADAY, LABOR ECONOMIST, MARITIME LABOR BOARD

The CHAIRMAN. The next witness is Mr. Casaday. Will you give the reporter your full name?

Mr. CASADAY. L. W. Casaday.

The CHAIRMAN. Where do you reside?

Mr. CASADAY. In Washington.

The CHAIRMAN. In what capacity do you appear before the committee today?

Mr. CASADAY. I am a labor economist with the Maritime Labor Board. I appear partly in my individual capacity as a student of labor conditions and wages and with the knowledge of my agency.

The CHAIRMAN. Is that a Government board?

Mr. CASADAY. Yes; the Maritime Labor Board is a Government organization.

The CHAIRMAN. It is now after 12 o'clock, and the committee will give you permission to insert a full statement in the record.

We thank you very much for your appearance.

STATEMENT OF L. W. CASADAY, LABOR ECONOMIST, MARITIME LABOR BOARD

LABOR IN THE FISHERIES

It is difficult to generalize concerning labor and employment characteristics in the fisheries. The industry covers the entire coast line of the United States and Alaska as well as the Great Lakes and the Mississippi River system. More than 150 species and groups of species of fish are represented in the annual catch. As may be expected, there are tremendous variations from place to place and among different branches of the fishery even in the same location with respect to the physical conditions under which production is carried on: the technique of production, processing, and marketing; the seasonality of employment; the number and kinds of workers required; the employment status of the workers, including customary methods of hiring and remuneration. Of all our national industries, fishing is probably comparable only to agriculture in the variety of employment characteristics it exhibits.

In recent years, the fishing industry of the United States and Alaska has given employment to 200,000 or more persons each season. In 1937, the latest year for which data are available, estimated employment was approximately 220,000.[1] The working force in the fisheries may be divided roughly into two general categories; Those engaged in primary production, i. e., fishermen and transporters;[2] and those engaged in the processing or wholesaling of the primary product. In 1937 the primary production group comprised approximately 134,000 persons (129,500 fishermen and 4,500 transporters) and the processing and wholesaling division approximately 86,000 persons.

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[1] See accompanying table. Figure based on data taken from R. H. Fiedler, Fishery Industries of the United States, 1938, U. S. Department of Commerce, Bureau of Fisheries,

TABLE I.—*Number of fishermen, fish transporters, and wage earners engaged in fish processing and wholesaling establishments in the United States and Alaska, by principal regions, 1937* [1]

Region	Fishermen [2]	Transporters	Wholesale and manufacturing [3]	Total
New England	19, 624	234	10, 988	30, 846
Middle Atlantic	7, 720	126	5, 608	13, 454
Chesapeake	16, 529	1, 196	10, 902	28, 627
South Atlantic and Gulf	30, 244	552	17, 277	48, 073
Total Atlantic and Gulf	74, 117	2, 108	44, 775	121, 000
Great Lakes [4]	6, 418	35	2, 266	8, 719
Mississippi River and tributaries [5]	15, 884	29	4, 275	20, 188
Total Great Lakes and Mississippi River and tributaries	22, 302	64	6, 541	28, 907
Pacific coast States	21, 555	210	18, 261	40, 026
Alaska	11, 570	2, 159	16, 602	30, 331
Total Pacific coast and Alaska	33, 125	2, 369	34, 863	70, 357
Total United States and Alaska [6]	129, 544	4, 541	86, 179	220, 264

[1] Compiled from data found in R. H. Fiedler, Fishery Industries of the United States, 1938, U. S. Department of Commerce, Bureau of Fisheries, Administrative Report, No. 37, Washington, U. S. Government Printing Office, 1940.

[2] Excludes persons engaged in the seed-oyster fisheries unless they also fish for market oysters or other fish. Of the 3,236 persons engaged in the seed-oyster fisheries (mostly in New Jersey and the Chesapeake Bay area), 2,574 are also engaged in other branches of the fisheries and are represented on the table.

[3] Excludes proprietors and salaried employees except in the case of Alaska, for which separate figures representing these groups are not available. The relative number of proprietors and salaried employees in the Alaska fisheries is believed to be extremely small.

[4] United States only.

[5] These data are for 1931, no later figures being available.

[6] Within a given region, duplication of employment as among the various branches of the fisheries and as among various localities, has been allowed for, but the totals shown may include some duplication owing to seasonal movements from one region to another. With the few exceptions indicated in the text, this duplication is believed to be relatively small.

EMPLOYMENT IN PRIMARY PRODUCTION

Persons engaged in the fisheries proper are of several employment classes. The distinction between fishermen and transporters indicated above may be commented on briefly and dismissed. The number of transporters is relatively unimportant in most sections of the country as the fishermen themselves ordinarily bring their catch to shore. Of the 4,500 transporters employed in 1937, 2,159, or nearly half, were found in the fisheries of Alaska, while nearly 1,200 more operated in the Chesapeake Bay area. Almost no transporters are used on the Great Lakes and the Mississippi River. Other sections of the country in 1937 employed from 126 to approximately 550 persons in this work.[3]

Administrative Report No. 37, Washington, U. S. Government Printing Office, 1940. Duplication of employment as among the various branches of the fisheries and as among the different localities within a given region has been allowed for, but the total may include some duplication owing to seasonal movements from one region to another. With few exceptions, this duplication is believed to be relatively insignificant.

[2] Transporters are persons employed on boats, vessels, barges, or scows engaged solely in transporting the catch from the fishing grounds to the point on shore where processing or wholesale marketing begins. In most sections of the country very few transporters are used, the fishermen themselves bringing their catch to shore. Owing to their relative numerical unimportance, little will be said of these workers in the present discussion.

[3] See accompanying table.

Practically all workers on transport vessels are paid on a weekly or monthly wage basis, with meals and lodging furnished on board. Their season of employment varies considerably from one part of the country to another, but in the areas where data are available the seasonal earnings of this group have been found to be distinctly meager. On the Pacific coast, including Alaska, most transporters appear to be of a casual type, moving into the fisheries during the summer, and thence into agriculture, lumbering, and other industries during the remainder of the year. A considerable number in this area are college students who look for employment only in the summer season. It is said that comparatively few Alaska transporters return to the fisheries regularly year after year, or consider themselves permanently attached to the industry.[4]

Fishermen, who constitute the vast majority of those engaged in primary production, exhibit many variations in employment status. In fact, the word "employment" must be used with care in connection with fishermen, for most of them are not "employees" in the conventional sense.

Approximately 61 percent of all fishermen are independent entrepreneurs, operating their own boats and gear, and selling their catch to processors or dealers. This fact has had a strong influence upon the psychology of fishermen as a class, making them essentially conservative and individualistic in outlook.[5]

The relative proportion of independent and employee fishermen varies markedly in the different localities and branches of the fisheries according to the size of the investment required. In general, where relatively small boats and inexpensive equipment can be utilized to good effect, the proportion of entrepreneurs tends to be high, but the larger vessels with expensive equipment usually are corporately owned, and operated by employee crews. In the industry as a whole, approximately 22 percent of fishermen work on vessels, and 60 percent on boats, while about 18 percent fish from shore.[6]

Among vessel fishermen only about 15 percent are entrepreneurs, whereas among boat and shore fishermen almost 75 percent are in business for themselves.

Of the total number of entrepreneurs (61 percent of all fishermen) about one-third are employees of others, the remainder operating their boats alone, or with one or two helpers on a partnership basis.[7] The number of persons employed by an entrepreneur fisherman usually is small, with the owner himself acting as skipper. Thousands of boats along the Pacific coast, for example, carry a "crew" of only one or two in addition to the skipper-owner. The crews of the larger vessels, including the skipper, usually consist entirely of employee fishermen.

In some sections, other factors than size of investment in boat and gear may affect the proportion of employee and independent fishermen. For example, in far western Alaska most fishermen are employees in spite of the fact that fishing is carried on from small boats operated by only two men each. The principal reason here is that the fishermen themselves, the supplies necessary to carry on operations, and the finished product must be transported over the 2,000 miles of water separating the fishing grounds from the larger population and marketing centers on the Pacific coast. Naturally this necessitates an over-all investment in the business beyond the reach of most fishermen.

More significantly, there seems to be some correlation in many areas between the proportion of entrepreneur fishermen and the degree of depletion of the fisheries. Where fish are abundant and the return upon the investment in each fishing boat is relatively substantial and certain, the boats, regardless of size, are likely to be owned by large packers and processors and operated exclusively by employee fishermen. Where fish are scarce, where exploitation of the waters is increasingly intensive, and where, consequently, there is a diminishing return per boat and per man, the boats and gear are likely to be owned and operated by small entrepreneur fishermen. In some places the change in ownership can be traced historically in relation to the factor of depletion. Thus, in certain localities, at least, it appears that there may be some tendency to shift the diminishing return and increasing risk of a declining natural resource to groups not originally associated with the industry in an entrepreneurial capacity.[8]

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[4] For a summary of earnings and other data pertaining to transporters in the salmon industry of Alaska, where more of them are employed than anywhere else in the country, see L. W. Casaday, Labor Unrest and the Labor Movement in the Salmon Industry of the Pacific Coast (typewritten), dissertation, Ph. D., University of California, Berkeley, 1937, pp. 291–295.

[5] Cf. John R. Arnold, The Fishery Industry and the Fishery Codes (mimeographed), National Industrial Recovery Administration, Division of Review, Industry Studies Section, Work Materials No. 31, January 1936, p. 46.

[6] Ibid. "Vessel" is defined by the U. S. Bureau of Fisheries as any craft of 5 net tons capacity or greater, and "boat" as any craft of less than 5 net tons capacity. (See R. H. Fiedler, op cit., pp. 543–543.)

[7] J. R. Arnold, op. cit., p. 46.

For the Atlantic and Gulf coasts and the Great Lakes, the employment data collected by the United States Bureau of Fisheries are segregated to show the number of regular and "casual" fishermen, the latter being those who derive more than half their annual incomes from occupations other than fishing. The segregation applies only to boat and shore fishermen. In these areas taken together, about one-third of all boat and shore fishermen fall in the casual class. The proportion of casual fishermen is high in New England and the Middle Atlantic States, exceeding 50 percent in 1937. In the Great Lakes and in the Chesapeake Bay area, in the same year, the proportion of casuals was approximately one-third and on the South Atlantic and Gulf coasts a little more than one-fifth.[9] The actual number of casual fishermen is larger in the South Atlantic and Gulf than in the other areas mentioned but only because the number of boat and shore fishermen is larger there than elsewhere. If all vessel fishermen in these areas are assumed to be regular fishermen, the proportion of casuals to the total would be somewhat smaller than those given above. No data are available concerning the number of regular and casual fishermen in the Pacific Coast States and Alaska.

Unfortunately very little is known concerning the employment found by casual fishermen outside the fishing industry. It has been said that many of those along the Great Lakes and in the Southern States combine fishing with work as small farmers and farm laborers. In the New England and Middle Atlantic States, the casual fishermen presumably find jobs in industry. In these areas the proportion of casual fishermen increased considerably during the depression, while in the Southern States the proportion showed little change in the years following 1929.[10]

Whether fishermen are classed as entrepreneurs or employees, whether they work on vessel, boat, or shore, and whether they are regular or casual, their remuneration is almost universally on some sort of "lay" or share basis. The fisheries are said to constitute the only large industry using the share system of payment.[11] The share system exhibits many and complex variations[12] but the principle is always the same. Typically, from the gross proceeds of the catch, operating expenses are first deducted. The remainder is then divided into a given number of shares with so many allotted to the boat and gear and so many to each member of the crew, including the skipper-owner, if the boat is operated by the entrepreneur. If the boat or vessel is operated entirely by employee fishermen, they are almost invariably paid a piece wage based on the total catch, sharing the proceeds equally or according to some other predetermined plan.

This system probably is a reflection first of the unpredictability of income, characteristic of fishing, and perhaps also of the fact that fishermen, regardless of rank or property ownership, are forced to share alike the hazards and hardships of life at sea. The practice would seem to indicate that the entrepreneur fisherman does not consider his boat and equipment as an income-bearing investment but rather as the tools of the trade.

These suggestions are further borne out by the fact that the relations between active entrepreneur fishermen and their employee crew members rarely resemble the employer-employee relationship in shore industries. There is little bargaining in the usual sense between the two groups over the terms of employment (except where the employer is not an active fisherman). Where fishermen's unions have been formed, they have usually embraced both active entrepreneur fishermen and employee fishermen in the same locality or branch of the fisheries, and are directed principally against fish buyers and processors, rather than against any "employer."[13]

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[8] Cf. L. W. Casaday, op. cit., p. 330 ff.
[9] Compiled from A. H. Fiedler, op. cit.
[10] J. R. Arnold, op. cit., p. 47, and ibid. appendix, p. 40.
[11] Ibid., appendix, p. 54 ff.
[12] Ibid., appendix, p. 54 ff.
[13] Cf. L. W. Casaday, op. cit., p. 29 ff.

The seasonality of fishing operations depends upon the locality and on the species of fish. It has been estimated that regular vessel fishermen in the industry at large average about 10 months' employment in a normal year, while regular boat fishermen average from 6 to 8 months. No estimate can be made of the average employment of "casual" fishermen but it is assumed to be very much lower than that enjoyed by regular boat fishermen. During the depression (1933) vessel fishermen are reported to have averaged only 7 to 8 months of employment with regular boat fishermen averaging from 4 to 5 months.[14] It must be emphasized that these are broad generalizations. They should not be allowed to obscure the fact that in many important sections of the fisheries, the season is extremely short for all classes of workers. In many parts of Alaska, for example, employment rarely extends beyond 3 months with actual fishing operations being confined to 30 days or less.

Following is an index of the seasonality of employment (number of persons engaged) in fishing operations proper for the United States and Alaska. It was prepared about 1936 by the American Federation of Labor on the basis of suggestions made by the Fisheries Unit of the National Industrial Recovery Administration, Division of Review.[15]

[12-month average=100]

Month:	Index number	Month—Continued.	Index number
January	71. 0	July	110. 5
February	76. 0	August	132. 5
March	76. 5	September	129. 5
April	86. 5	October	121. 0
May	111. 5	November	94. 5
June	120. 0	December	70. 5

The working personnel of the fisheries proper is practically all male. Definitive data are lacking on the subject of racial and national origins except in Alaska,[16] but certain generalizations seem legitimate. In New England, the northern Atlantic States, and on the Great Lakes the fishermen are all white and predominantly of long-settled Anglo-Saxon stock. In some parts of these areas fishermen of Italian and Portuguese origins are found. Anglo-Saxon stock also predominates in the South, although in some branches, particularly the menhaden fisheries, there are are considerable numbers of Negroes. On the Pacific coast the fisherman are predominantly of recently immigrant nationalities. Norwegians and Finns predominate in the Pacific Northwest and Alaska, although many native Indians and Eskimos are also employed. In California there appear to be almost equal proportions of Italians, Portuguese, Jugo-Slavs, and Japanese.[17]

Data on the seasonal earnings of fishermen are inadequate.[18] Examination of the annual value of the catch in relation to the number of fishermen engaged indicates, however, that the average gross output per man is such as to put a low maximum limit on the earnings of the mass of the personnel. In 1929 this gross average output per man failed to reach $1,700 in any part of the country. For the Great Lakes it was under $1,000; for the Chesapeake area a little over $600; and for the South Atlantic and Gulf about $550. In 1933 a gross average of $1,000 per man was slightly exceeded in Alaska only with other areas falling as low as $250.[19]

In 1937 average gross output per fisherman was approximately $1,300 on the Pacific Coast and Alaska; approximately $1,000 in New England, the Middle Atlantic States, and the Great Lakes; less than $500 on the South Atlantic and Gulf; and less than $400 on the Chesapeake. The average gross output per man for the country as a whole, including Alaska, was approximately $777.[20]

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[14] J. R. Arnold, op. cit., p. 48.

[15] Ibid., p. 49.

[16] For which see Ward T. Bower, Alaska Fishery and Fur-Seal Industries in 1937, U. S. Department of Commerce, Bureau of Fisheries, Administrative Report No. 31, Washington, U. S. Government Printing Office, 1938, p. 97.

[17] J. R. Arnold, op. cit., p. 47; L. W. Casaday, op cit., ch. II, p. 77 ff.

[18] For earnings data on groups of salmon fishermen on the Pacific coast, see L. W. Casaday, op. cit., pp. 263–321; Homer E. Gregory and Kathleen Barnes, North Pacific Fisheries, American Council Institute of Pacific Relations, Studies of the Pacific No. 3, p. 201 ff.

[19] J. R. Arnold, op. cit., p. 48, and ibid., appendix, pp. 35–36.

When account is taken of operating and overhead expenses and the losses incident to fishing, it seems evident that the actual earnings of fishermen are low in most sections of the country.[21] In each area there are stories of the high earnings that certain boats or men have obtained during the season. A considerable number of men return from Alaska each season with earnings up to $3,000 for 3 months' work. The attention received by these unusual cases often gives the impression that such earnings are general, an impression which is contrary to fact. The following quotation from the Pacific Coast News[22] admirably expresses the danger of viewing fishermen's earnings in terms of the season's best performance:

"From the thousands of crafts engaged in the various lines of commercial fishing along the Pacific coast there emerge at the end of the season a few boats which, each representing a special line of the fishery, through a mixture of luck, hard work, and ability on the crew's part have higher landings than the rest of the fleet and are hailed as high boats.

"The fact is given due publicity and the press generously adjudge the boats its medals of merit, a distinction most richly deserved.

"But the medals have a reverse; in the present case represented by the fact that while the public is told readily of the highest, most, biggest, the rest of the story, including the less exciting chapters of the lowest, least, and smallest, is left untold.

"The public opinion of the fishing industry is more or less compressed in an undetailed idea of good catches and high earnings. Consequently, when fishermen's affairs come on for public discussion the public is benighted and its general attitude accordingly.

"The limited season, the few months of fishing and the many months of forced idleness, the losses of life, gears, and boats, the hundred obscurities and human fates, the toils and struggles and hardships—these facts are hidden by the big hull of the high boat in the luster of public searchlight.

"Move it, and the fleet, the hundreds, come into sight."

In spite of comparatively low average earnings per man, fishermen as a class do not migrate industrially to any great extent. The personnel of the fisheries is characterized by a high average age and low turn-over. Fishermen constitute an essentially conservative and stable group, which in the words of Arnold[23] "sticks to its own mode of living, to its own enterprises, and to its own social groups." Even during the depression, according to available evidence, only an insignificant proportion of fishermen sought employment in other industries. Indeed, the indications are that numbers of unemployed industrial workers, particularly in the northeastern part of the country, sought temporary employment in the fisheries. Concsequently, although average earnings fell, the total number of persons employed in the fisheries changed comparatively little during the years following 1929.[24] In sum, as Arnold has put it, "the industry has tended to select a type that does not take kindly to interindustry migration."[25]

Several reasons may account for this curious stability of employment in the face of nominal- or low-income levels in what is, after all, a highly seasonal industry. Fishing, like farming, is a way of life. Owing to the predominance of the entrepreneur type of fisherman and the tenuousness of the employer-employee relationship, even where it exists the work gives the illusion and perhaps the reality of independence. Even the very danger of the job has its appeal. More concretely, many fishermen are tied to their calling by the fact of having a considerable investment in boats and gear. Much of the time in the off season is spent in repairing and conditioning the equipment. In fact, many fishermen who themselves own nothing, engage in this work between seasons, often for little other recompense than board and lodging. A related consideration is that the work required of a fisherman, both on the fishing grounds and in the repair and maintenance of the equipment, is highly specialized and calls for skills not easily acquired nor readily abandoned. It has also been suggested that the strenuousness of the work during season breeds a desire for comparative rest and relaxation afterward. The coincidence of the fishing season in many parts of the country with the most active periods in industry and agriculture generally, may also account in part for the comparative lack of industrial migration among fishermen.[26]

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[20] Computed from data in R. H. Fiedler, op. cit., pp. 220–221.

[21] See L. W. Casaday, op. cit., ch. V, for a discussion of the principal items of expense to which typical groups of salmon fishermen are subject.

[22] Vancouver, British Columbia, November 15, 1935.

[23] Op. cit., p. 47.

[24] Ibid.

[25] Ibid., appendix, p. 41.

Fishermen often do move about widely, in the geographical sense, during the course of their employment but in most cases it is hardly accurate to describe this as "migration." It is estimated that on the Pacific coast as many as 1,000 fishermen, mostly on purse-seine boats, fish in Alaskan waters in the summer and then move into the fisheries of California during the winter.[27] Considerable numbers of resident Alaska fishermen, with or without boats, are known to migrate within the Territory during the season in accordance with reports as to the abundance of fish in the different localities.[28] A few boats from New England are said to fish in southern Atlantic or Gulf waters during the winter. Movements of this kind may approach what is meant by "migration" in agriculture. In a sense, these fishermen, for the most part equipped with the tools of their trade, are doing something analogous to "following the crops"; that is, they move from one section to another as the seasons for the various kinds of fish come on. Yet almost invariably these men return regularly and for a substantial part of the year to their "home ports." They are not footloose or casual in the sense that applies to large numbers of agricultural workers. Except in a general way of speaking, they are not truly "migratory." In any event, comparatively few fishermen, of the total engaged in the industry, range widely over the country in this fashion.

Still less does the term "migratory" apply to that comparatively large number of fishermen who regularly journey long distances to particular fishing grounds for the duration of the season and thereafter return to their homes. Probably the majority of the seven or eight thousand fishermen engaged in the fisheries of Alaska maintain their homes in the three Pacific Coast States and return to them at the close of the season. In the same way, fishermen of the Grand Banks may spend weeks away from home during the season. In these cases most of the fishermen are employees and are commonly recruited, hired, and paid off in the home port. This movement of labor, although extensive and of comparatively long duration, is occasioned simply by the fact that the fishing grounds happen to be located far from the source of labor supply. In principle, it makes no difference whether the men have to travel a thousand miles or 10 miles to reach the fish.

In view of the foregoing, it may be concluded that fishermen, other than "casuals," are not migratory in either the industrial or geographical sense. Their employment is intermittent and may necessitate considerable geographic coverage but they are not a rootless, casual, roving lot. There is, however, a group constituting from one-fifth to one-half of the total in the various sections of the country, and averaging one-third or less of the total for the country as a whole, that can be defined as "casual" in the sense that its members derive less than half their annual incomes from fishing. Little is known about the employment experience of these men outside the fishing industry, but there is some evidence to the effect that: (*a*) Although supplementing their earnings from fishing by other work in the off season, most of them engage in fishing regularly each season; (*b*) many of them confine their annual cycle of employment to a given locality or region, wherein they maintain homes and have other civic roots.

The proportion of the total working force that cannot be described in any of the above terms and is therefore truly casual and migratory in character, is impossible to estimate, but from available evidence it appears to be relatively small.

EMPLOYMENT IN FISH PROCESSING AND WHOLESALING

Reference to the table in the first part of this report indicates that in 1937 approximately 86,000 persons were engaged in fish processing, packing, and wholesaling in the United States and Alaska. This figure may represent some duplication owing to interregional movements of these workers, especially on the Pacific coast. For the country as a whole, the duplication probably is not large.

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[26] Cf. discussion in J. R. Arnold, op. cit., pp. 47–48.
[27] Unofficial estimate by U. S. Bureau of Fisheries personnel.
[28] Cf. Gregory and Barnes, op. cit., ch. XII.

The working force in the processing and wholesaling division of the industry does not present the complex of employment relations that characterizes the fishermen, although many different types of operations are, of course, involved. Processing includes canning, reduction for the purpose of obtaining oil, meal, and fertilizer, and various forms of curing such as smoking, salting, pickling, and freezing. The marketing of fish in fresh form involves cleaning and often filleting and packing. In very general terms, and with some notable exceptions, canning and reduction predominate on the Pacific coast while the bulk of Atlantic and Gulf coast products is marketed in the fresh form. Freezing and curing appear to be carried on to a greater or less extent in all areas.

There is comparatively little information concerning the racial and nationality characteristics of workers in the processing and wholesaling division of the fisheries in the country as a whole. It has been observed that in sections where processing and packing plants are located in fishing ports, the working force often consists largely of the wives and relatives of local fishermen, and hence may be assumed to be of similar racial and national extraction. As will be brought out below, a different situation exists in many parts of the Pacific coast and Alaska.

The season of employment in processing and wholesaling conforms in general to the season during which fishing proper is carried on. It is said that the average level of employment for the year is approximately one-half the seasonal plateau, and that in the country at large these workers receive approximately 6 months of employment per year.[29] Again, the variations from place to place are so great as to make generalization difficult. Employment in wholesaling establishments, as well as in curing and freezing plants, is substantially less seasonal than in canning and reducing plants. Large numbers of cannery workers in Alaska, for example, receive 3 months or less of employment per year within the Territory.

No data are available as to annual earnings of fish processors and handlers. In 1933 weekly earnings for the country as a whole for the season of 3 to 7 months averaged approximately $20.[30] In the salmon fisheries of the Pacific Northwest and Alaska up to about 1934, payment was usually made on a seasonal basis under contract and ranged from $140 to $160 for a 3-month season, board and lodging included. In many cases even this was taken away from the workers under a variety of pretexts and abuses made possible by the contract system of employment. Since that time wage rates in the salmon fisheries have been greatly increased and most of the abuses stopped, largely due to the advent of unionism and collective bargaining among the cannery crews.

In fact, the story of cannery labor in the salmon fisheries of Alaska and parts of the Pacific coast have constituted a peculiar chapter in the development of the industry. Here a large part of the working force has been, and still is, although to a diminishing extent, truly migratory and casual. The situation is a complex one in which problems, not only of migration but of extreme seasonality, racial origins, employment methods, and income levels are inextricably interwoven. Hence, with respect to this section of the fisheries, these questions can best be considered together.

For regions outside the Pacific coast, information pertaining to migratory movements and other employment characteristics among fish processors and handlers is almost entirely lacking. It is believed that the problem does not compare in seriousness or magnitude with that found in the West, but, owing to the scarcity of material, these areas are not here discussed.

In the early days of the canning industry on the Pacific coast, fish canneries were commonly located at considerable distances from the centers of population, a fact which made it necessary to recruit laborers in the larger cities and towns and transport them to the cannery sites. The isolation of the canneries, the short season, particularly in salmon fishing, and the unpredictability of the run impelled the packing companies, first, to obtain the necessary labor as cheaply as possible, and, second, to guarantee that the labor force, once recruited, would be available without fail throughout the season. The search for cheap labor led the companies to specialize in recruiting immigrant groups, and the desire to guarantee the availability of labor throughout the season led to the development of the "Chinese contract system" of recruiting and hiring.[31]

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[29] J. R. Arnold, op. cit., p. 51.

[30] Ibid., Appendix, p. 69.

[31] For a detailed account of this system and its abuses, see L. W. Casaday, op. cit., chs. III and IV.

The result has been a veritable parade of low-paid racial groups through the salmon and other canneries of the Pacific coast. The historical succession has been almost identical with that observable in west-coast agriculture. First came the Chinese, to be followed in turn by the Japanese, Mexicans, and Filipinos. And today, again as in agriculture, there is a growing influx of native whites.[32]

It is believed, however, that comparatively few of the white workers in the fish canneries are drawn from the migrant Dust Bowl families lately become prominent in west-coast agriculture. The increasing proportion of white workers in the canneries is due, in part, to the fact that many formerly isolated cannery sites are now located in or near communities with a considerable resident white population, a fact which facilitates the employment of local people. This is especially true along the Sacramento River, the Columbia River, on Puget Sound, and in southeastern Alaska, where a decade or two ago the canneries were relatively isolated and operated largely by immigrant orientals or Latin Americans. To the extent that local resident workers are employed, the proportion of migratory labor is, of course, reduced. A second factor accounting for the recent influx of white workers is that the unionization of the industry has abolished the contract system, raised wages, and improved conditions sufficiently to make the work reasonably attractive to many whites who formerly disdained it. Added to these developments is the fact that the available supply of the alien groups heretofore recruited, principally orientals and Mexicans, has been progressively reduced through exclusion or repatriation.

In spite of these developments, a substantial proportion of the cannery labor force on the Pacific coast, and particularly in Alaska, is still migratory in character and composed largely of alien racial stock. Data showing racial distribution are available only for Alaska. In 1937 the salmon-cannery crews, totaling 14,798, in the Territory were approximately 40 percent whites, 19 percent native Alaskan Indian, 4 percent Chinese, 6 percent Japanese, 4 percent Mexican, 24 percent Filipino, and 3 percent miscellaneous.[33] Practically all the Chinese, Japanese, Mexicans, Filipinos, and the miscellaneous group (a total of approximately 6,200 in 1937), as well as a considerable number of the whites, migrate to the Alaska fisheries from the Pacific Coast States. Each season they gather in the cities of San Francisco, Portland, and Seattle to be transported on company vessels to the Alaska canneries. At the end of the 2- or 3-month season they are debarked and paid off at the same ports, whence they disperse into other industries and localities throughout the Pacific coast. Many go to the sardine and tuna canneries of California. Others follow the fall, winter, and spring agricultural crops. Still others find employment in hotels and restaurants, or as chauffeurs and domestics. A considerable proportion return to the canneries year after year. Many in this group are single men without family or community ties.

In the Pacific Coast States the proportion of alien races in the canneries and reduction plants is smaller than in Alaska, although no figures are available. Similarly, there seems to be a smaller proportion of migrants, whether alien or citizen. In large part, the latter circumstance is due to the readier availability of local resident labor. Many women, usually local residents, are found in these plants. Even here, however, certain factors often encourage an influx of migratory labor. In many small cannery communities, both in the Pacific Coast States and in southeastern Alaska, the local labor supply is not adequate to the peak demand of the season, making necessary the utilization of some outside labor. The employer under these circumstances is inclined to give preference to the outsiders, in order to hold them in the locality, and because he feels he can always find workers on short notice among the resident population. This is especially true where the employer has paid the transportation costs of the imported laborers or where he has made arrangements to provide them with food and quarters. Thus the outside workers, who are likely to be migrants and often of an alien race, are given the steady employment, while the local population is relegated to the position of a labor reserve to be given only an occasional call as needed. In many west coast towns this situation has produced great friction between resident and migrant as well as between resident workers and the employer.[33a]

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[32] Ibid., ch. II.

[33] Computed from data given by Ward T. Bower, op. cit., p. 107. The miscellaneous group includes Hawaiians, Puerto Ricans, Negroes, Koreans, Chileans, and others.

[33a] Cf. L. W. Casaday, op. cit., ch. II.

In general, the problem of migratory labor in the fisheries of the Pacific coast appears to be diminishing rather than increasing in importance. Largely this is the result of the spread of the population and the increasing availability of local labor. Nevertheless, friction is still acute in many sections. The development of unions among both the fishermen and cannery workers has tended to introduce an element of regularity into the employment process.[34] In considerable measure the problem is not peculiar to the fishing industry but is one which must be solved on a regional basis.

The CHAIRMAN. The committee will stand in recess until 2 o'clock this afternoon.

(Thereupon the committee took a recess until 2 p. m.)

AFTERNOON SESSION

The recess having expired, the committee reconvened at 2 p. m., Hon. Claude V. Parsons, presiding.

Mr. PARSONS. The committee will please come to order.

The first witness this afternoon, in place of Mr. Philip Murray, is Mr. Hetzel.

TESTIMONY OF RALPH HETZEL, JR., DIRECTOR OF THE UNEMPLOYMENT DIVISION, CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. PARSONS. Mr. Hetzel, will you state what organization you represent?

Mr. HETZEL. I am the director of the unemployment division of the C. I. O.

Mr. PARSONS. Congressman Curtis will question the witness.

Mr. CURTIS. Mr. Hetzel, what division of the C. I. O. did you say you represent?

Mr. HETZEL. The unemployment division.

Mr. CURTIS. How long have you been with the Congress of Industrial Organizations?

Mr. HETZEL. Since August 1937.

Mr. CURTIS. What work were you in before that time?

Mr. HETZEL. I was secretary to Governor Pinchot in Pennsylvania, when he was the Governor, and studied labor problems in England following that.

Mr. CURTIS. You are appearing here in behalf of Mr. Murray, who is the president of your organization?

Mr. HETZEL. Yes, sir. Mr. Murray is tied up now with some industrial problems. He wanted to present his apologies to the committee. He wanted me to say he was profoundly sorry that he could not come, that he has a deep personal interest in the work of the committee and the facts that are being brought out, and that he was deeply sorry, indeed, that he could not be here.

Mr. CURTIS. Mr. Hetzel, your prepared statement is here and will be made part of our record, but we want you, if you can, briefly to summarize the highlights of that statement, and then we will have some questions to ask you. Your entire statement will be printed in the record, so please confine yourself to those points that are stressed in that paper.

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[34] A full account of the union movement in the salmon fisheries of the Pacific coast up to 1937 may be found in L. W. Casaday, op. cit., chs. VI, VII, VIII, and IX. For a very brief summary of the extent of unionization in the industry at large as of 1939, see Maritime Labor Board, Report to the President and the Congress, 1940, pp. 81–83. See also Gregory and Barnes, op. cit., p. 216 ff.

Mr. HETZEL. I would like to make clear to the committee that this is the statement prepared by Mr. Murray and is his statement. I am only presenting it in his behalf.

STATEMENT OF PHILIP MURRAY, PRESIDENT OF THE CONGRESS OF INDUSTRIAL ORGANIZATIONS

I appreciate very deeply the courtesy of your committee in asking me to appear before it as a witness in the matter of migration. I should like to express my views on the problems before your committee not as an expert acquainted in great detail with the facts of the migration. Your committee already has before it the testimony of qualified experts. I should merely like to sketch in broad outline labor's view of the problem of migration and to make some general observations on measures which might be taken to relieve the lot of the migrant workers and to make of migration a beneficent mobility of labor rather than the evil byproduct of extensive unemployment which it now is.

In the last few years migration of workers in this country has come to mean the endless search of destitute and stranded workers and farmers for job opportunities that do not exist. In a period of large unemployment this migration becomes a menace to labor standards and a nightmare to communities already overburdened with unemployed workers.

In labor's view there is no need to regard the movement of workers from one place to another as being necessarily undesirable. If working people can improve their lot by moving from one place to another, if they can add to the labor supply in areas where there are growing employment opportunities, then migration is good and desirable, because it represents freedom of working people to better their lot.

In the steel industry we have had considerable experience with the kind of industrial change and unemployment which provides the raw material for the hopeless migration of destitute workingmen. The introduction of new technological changes in the steel industry, especially the introduction of the automatic strip mills, has been the means for creating enormous unemployment of steel workers and leaving them stranded in ghost towns in which old mills have been abandoned.

The effects of this process are described in some detail in testimony before the Temporary National Economic Committee a few months ago. I should like to take the liberty of quoting a few paragraphs of that testimony here because it bears directly upon your subject:

"SOCIAL EFFECTS OF STRIP MILLS

"Such wholesale elimination of workers has been devastating. The strip mills are displacing 84,770 workers, 38,470 of whom have already been disconnected from the steel industry. On March 29 of this year in Massillon, Ohio, 500 workers in Republic's sheet mill there were given this notice:

" 'We regret to advise you that on account of the permanent discontinuance of operations of the Massillon sheet mills your services are hereby terminated.

" 'Please find enclosed your copy of the "Termination notice to employment office." This form should be presented to the paymaster to secure any earnings which may be due you.

" 'Also find enclosed "Workers copy" of Form UC 406, "Separation report for total unemployment," as provided under unemployment compensation.

" 'Yours very truly,

" 'REPUBLIC STEEL CORPORATION.'

"This notice was given to these 500 workers on March 29, 1940; and within a few weeks between 500 and 600 more received the same notice. In the Niles, Ohio, plant of the same company 450 more workers are also out of employment, as Republic Steel has discontinued its sheet mill there also. A public announcement of the discontinuance of the mill in Niles was published in the newspapers on March 28.

"These workers have not been disconnected from the industry, one by one. They have been cast out, a thousand at a time—fifteen hundred. And in one case 3,000 workers were told to go home and never to come back, as their mill would not work again. Aside from the inhuman effect this wholesale abandoning of mills has on the individual worker, look at what happens to entire communities. Property becomes next to worthless, business drops to a fraction of previous levels, families are kept in existence by Work Projects Administration and relief, the social fabric of the town is torn in shreds, and the only means of making a livelihood is taken away from workers, many of whom have never known any other way of earning a living. All this happens because technology has found a new method of production, in this case the automatic strip mill. The financial cost of a strip mill is fifteen, twenty, or forty million dollars. But the social cost of this automatic mill is far greater in terms of human misery, personal tragedy, and wrecked mankind. Look at the worker immediately displaced.

"A large percentage of these technologically displaced workers are skilled men. They have spent years acquiring their skills, and now private industry has no use for them. These men are no longer young in years, though they are not too old to work. But they are unemployed, discarded by the steel industry because profits cannot be made from their skills any more. These men are capable of many more years of good work, but private industry is no longer interested in them because most of them have reached the ripe old age of 40 years.

"The tragic circumstances of these men who are victims of the strip mills defy description. They are not being employed on one of the automatic strip mills for a very definite reason. The vice president in charge of operations of a large steel firm told me that he had hired a completely new force of men for his strip mill, mostly very young men. He explained: 'A hand-mill worker is used to producing from 5 to 10 tons in 8 hours, and he can't get used to seeing a thousand or more tons produced on a strip mill in the same time. We have to break in new men on the strip mills who have never seen a hand mill operate.' The comparatively few hand-mill workers who have been employed in automatic strip mills—and remember, 37,000 of them are out completely—are working as laborers or semiskilled workers, and are receiving wages one-half to one-third of their former daily earnings. The social effects of the strip mills are doubly devastating."

"GHOST STEEL TOWNS

"The strip mills have reduced entire communities to ruin. Thriving steel towns have been converted into ghost towns overnight. New Castle, Pa., a steel town of 50,000 people, is a typical example. In the last 3 years 4,500 hand-mill workers have been permanently displaced in this town. A few years earlier 1,200 Bessemer steel workers were displaced in New Castle, a total of 5,700 victims of technology during the 1930's in a single steel town. As a consequence, private-job opportunities have dried up. High-school graduates cannot find work and are lucky to get an opportunity to go to a Civilian Conservation Corps camp. Sixty-four percent of New Castle's population—7,000 families—have been receiving some form of State or Federal assistance, or have been trying to get such aid. The State and Federal Governments have been spending approximately three and a quarter million dollars a year in New Castle. But even as the plight of the town got worse, the Seventy-sixth Congress reduced Work Projects Administration wages $5 a month and cut the number of Work Projects Administration jobs by more than 50 percent.

"Other steel towns have likewise been reduced to ruin, while still others are on the verge of it. These towns are the victims of corporate irresponsibility. Boards of directors sitting in the financial centers of the Nation pass economic legislation, based exclusively on their profit-and-loss statements. In one decision they wipe out a complete mill and ruin an entire town, and they do it apparently without any thought of responsibility for the social consequences of their decision.

"The record of the steel industry during the past decade in abandoning entire plants, or large departments of plants, in one knockout blow reveals an ignorance and disconcern of social conditions that defy description. From 1929 to 1939 53 old-style, hand-plate, sheet, and tin-plate plants have been permanently abandoned. Some of these plants were departments of large integrated steel works, but a large majority were separate plants. Thirty-eight thousand four hundred and seventy workers were displaced in these abandoned plants. Exhibit No. 1 in the back of this book shows a list of these plants and indicates the parent firms, the location, products produced, and number of workers displaced in each plant by years. More than 50 percent of the workers were displaced in 1937 and 1938, with the result, as I shall point out later, that the effects of the strip mills on the volume of wages and employment in the steel industry have not been substantial until recently.

"The strip mills are not through with their killing. Fourteen plants or departments of integrated steel producers are on the industry's death list. These old-style hand mills are scheduled to be abandoned permanently. Some of them have worked irregularly in recent years, and some are completely idle at present. Employed in these plants are 22,950 workers soon to be thrown into the streets, to be made idle through no fault of their own, and no longer wanted by the steel industry or by private industry generally. About the eventual abandonment of these plants, there is no doubt. Several steel employers have already discussed the abandonment of these plants with the Steel Workers Organizing Committee. And with abandonment of these plants the number of prosperous steel towns will decline, while the number of ghost steel towns will increase."

These ghost towns then become potential reservoirs of working men and women who, without resources, without hope of new jobs, either stay in their communities and seek to live upon meager relief and Work Projects Administration or who take to the road in what is usually a futile attempt to find work elsewhere.

In passing, I might say that the growing demand for steel for national defense has again brought some hope to the stranded areas. The Congress of Industrial Organizations, and more especially the Steel Workers Organizing Committee, has asked the National Defense Commission to make every possible effort to put whatever new industries the defense effort may create in such towns as these ghost towns. I am happy to report that efforts are now being made in this direction.

It seems clear that there will be no solution to the problem of the migration of destitute people until our Nation's industry offers reasonably full-employment opportunities. The Congress of Industrial Organizations has set forth on a number of occasions a program that it believes is designed to move the Nation toward full employment, whilst preserving every essential of our democratic system. The first of these proposals is the convening of a national conference of the responsible leaders of labor, industry, agriculture, and the Government. This conference should be called by the President of the United States and brought together round a table, there to be held in session until there can be reached agreement upon fundamental measures to end the problem of unemployment.

There are other measures too, but they are set forth in the public documents of the Congress of Industrial Organizations convention just adjourned. Therefore, I will not burden your record with them.

It is believed in some quarters that the extensive expenditures on national defense to be made during the next few years will end unemployment in our Nation. Whether that be true or not, it is clear that for some substantial period of time to come unemployment is not going to be wiped out. In the steel industry, for example, employment is some 35,000 below the all-high employment peak set in 1939, with the steel industry at the same time producing the largest tonnage of steel ingots ever turned out in its history.

Furthermore, following the boom now induced by national-defense expenditure, there will undoubtedly be a period in which we will again have to consider those normal measures which are necessary to end unemployment in the Nation.

EFFECT OF SOUND COLLECTIVE BARGAINING

The establishment of industry-wide collective-bargaining agreements with industrial unions in the basic industries of the country has provided an instrument which has already been useful in mitigating the effects of migration due to unemployment. I think that the industrial unions through such agreements have a great potentiality for the future in this area. Already in the steel industry, and in the textile industry among others, the unions have been responsible for guaranteeing jobs in new plants for those workers put out of work by the abandonment of obsolete factories. They have also begun to provide some wage protection by seeking to establish dismissal wages for those who may lose their jobs due to technological changes.

I would therefore urge upon your committee the extension of sound collective-bargaining agreements and the growth of industrial unions as a first step toward the protection of those who might otherwise become destitute migrants.

In this connection it should be pointed out that the most publicized group of migrants, and those whose conditions have been perhaps the worst, are the agricultural workers. These workers are excluded from the rights of collective bargaining under the National Labor Relations Act. Your committee has already heard testimony as to the industrial character of most of the operations in which these agricultural workers are engaged. Therefore, I need not repeat those facts.

Mr. Henry A. Wallace, when Secretary of Agriculture, made the following comment upon collective bargaining rights for agricultural workers:

"For the purposes of the National Labor Relations Act, however, special attention must be given to employee status. Most farms of America having no hired workers, are not affected. On those farms which have a man or two, regularly or at certain seasons, relationships between employer and worker are much like those of the handicraft stage of industry. Where workers are employed in considerable numbers on a farm, regularly or seasonally, questions arise as to terms and conditions of employment that cannot be distinguished in nature from those that arise in factory, mill, or mine. Here, as in industry, arises the need for a democratic means of redressing that inequality of economic power that is evident when the single workman faces the employer of many. Insofar as workers desire to call upon or organize unions for assistance, they have that clearly established right in the exercise of which they are legally protected."

I would urge upon you this view as a fair approach to the problem.

OTHER SOCIAL LEGISLATION

One of the most important discriminations which operate against migratory workers, either through exemption by law or through exemption by practice, is the lack of adequate coverage by the social-security laws. Agricultural workers and many other groups of migratory workers are excluded from old-age pensions and from unemployment compensation. In addition even those workers in covered occupations who move from State to State or from covered to uncovered occupations face serious difficulties in maintaining any benefits under the unemployment compensation laws. You have expert testimony in these matters and, therefore, I will not seek to discuss them in detail.

Labor believes, however, that the coverage of the social-security laws should be made much broader and should give protection from the hazards of old age and unemployment to as large a group of workers as is possible. Migratory workers, both agricultural and other, are among those who need protection the most. The extension of such protection would do much to mitigate the hardships which beset them.

A further extension of the wage-and-hour law ought also to be made to protect the wage and living standards of many of these migrant workers. Much of their hardship arises from the fact that they are often at the mercy of employers and must accept, in order to live, any wage that is offered.

The need for extension of these national laws to migrant workers emphasizes the fact again that the problem of the migrant is a Federal problem and can be handled effectively for the most part only on the Federal level. By the very nature of the case it is impossible for the States effectively to meet the problems of those workers who move about within the State or more especially from State to State.

The most potent reminder of this fact is the discrimination against migrant workers who seek relief or Work Projects Administration. All States have residence requirements for those who seek relief. In States where relief is administered by the counties or localities these requirements are often for residence within the specific locality. The requirements range from 1 year on up to 5 years of residence. The first effect of this requirement is to prevent workers who have moved out of their own State or locality from getting relief or from being certified by relief agencies as eligible for Work Projects Administration. The substantial effect of such measures is to prevent migrant workers from receiving any kind of relief or Work Projects Administration aid no matter how serious their condition. A further effect is to freeze workers in stranded communities where although there appears to be no probability of a job, they decide to stay in order to be eligible for relief and Work Projects Administration. It seems clear that some solution beginning with the establishment of uniform laws relating to residence needs to be set forth. There must be further some provision for relief and assistance to those migrants who are unable to establish proper residence requirements because they have moved in search of work. A system of Federal grants-in-aid for such workers has been suggested and it seems to me sound.

There is one situation I should like to call to the committee's attention for further examination. In a number of the agricultural areas in particular many of the migrant workers are aliens and citizens of such countries as Mexico with which this Nation is seeking to establish neighborly relations. Under the alien registration law these workers are required to register a place of residence and notify the authorities of every change therein. Since many of these workers move from week to week following the harvests and cultivating seasons, it is almost impossible for them to carry out this provision. On the other hand failure to do so subjects them to severe criminal penalties. It seems to me this situation works undue and unnecessary hardship upon honest working people of free nations. I would urge your committee to examine this situation in order that some reasonable remedy may be proposed.

In conclusion it seems to me the extension of those devices such as the free public employment offices which facilitate the shift of employed or unemployed workers to new or more suitable jobs would be very helpful; a sound system of employment offices carefully safeguarded to prevent coercion upon workers to shift their jobs; a safeguard against unwise migration and a sound help to beneficial shifts of labor.

TESTIMONY OF RALPH HETZEL, JR.—Resumed

Mr. Hetzel. I would like to summarize that statement briefly for the committee.

Mr. Murray's view is that the heart of the question of migration and its effect upon the country as a whole, as well as the individual communities, depends in the main upon the nature of the employment situation. If there is extensive unemployment—and that is the condition under which the studies of migration undertaken by the committee have been made and the conditions under which the discussions have been carried on recently—then migration becomes, as Mr. Murray sees it, simply a movement in the main by workers from stranded areas, or areas where there are no jobs, in a search which usually turns out to be hopeless throughout the country, for other jobs.

If there are employment opportunities, on the other hand, Mr. Murray's view is that it is not to be regarded as a bad thing. If there is a movement and a migration of labor it can be very beneficial. That is, it can be the adjustment of the labor supply of the country to the needs as they grow around the country, but that depends essentially upon a condition of fairly near full employment and upon the opening of jobs continuously in new areas.

Mr. Murray has given a great deal of emphasis, and the C. I. O. has, on the necessity, in the solution of all these matters, for full employment.

Particularly in the steel industry we have made extensive studies and those are available to the committee in the prepared statement which he has made here.

Mr. CURTIS. Naturally, the work of this committee takes on the form of two different phases of the problem. One is the immediate care of the people who are interstate migrants and who are destitute. The other one is the long-term solution. Now, what Mr. Murray has prepared deals primarily with which phase?

RECOMMENDATIONS

Mr. HETZEL. With both, Congressman; both phases. First, I wanted to outline—and I think Mr. Murray did—what he regarded as the fundamental problem, and then in the interim, as we have discussed it in this paper, the other measures which can be taken to mitigate the situation as it is now, before you undertake the fuller solution, or while you do.

Mr. Murray has advocated time and again—and in this paper continues his advocacy—of the calling of a national conference on unemployment, where the representatives of agriculture, industry, of labor, and the Government should sit together at the call of the President and seek a solution of this problem of unemployment. They should sit until they come to an agreement on fundamental principles by which we jointly could seek the way to end unemployment.

There have been suggested in some quarters that the national-defense expenditures will solve the problem of unemployment and, presumably, some of the main evil features of migration. It is our impression that that will not happen, at least for some time to come.

There are a number of factors in the situation. In part, the inability of industry at this stage to make the absorption of the unemployed, which makes it clear to us that the national-defense program will not, for some time to come, absorb the unemployed.

It also presents, at the period when national-defense expenditures must of necessity cease, the threat of unemployment, of stranded areas, in particular those areas where only national-defense industries are created, industries which have no future beyond that, a problem that may exceed in magnitude any that we faced in the past decade.

And this makes essential the undertaking of measures to meet unemployment, both in its broad aspect and in its relation to migratory workers.

In the interim there are several measures which Mr. Murray has advocated as being essential to meet the problem of migratory workers, and I should like to take the liberty of reading just a couple of paragraphs giving you Mr. Murray's view. He says:

> The establishment of industry-wide collective-bargaining agreements with industrial unions in the basic industries of the country has provided an instrument which has already been useful in mitigating the effects of migration due to unemployment. I think that the industrial unions through such agreements have a great potentiality for the future in this area. Already in the steel industry and in the textile industry, among others, the unions have been responsible for guaranteeing jobs in new plants for those workers put out of work by the abandonment of obsolete factories. They have also begun to provide some wage protection by seeking to establish dismissal wages for those who may lose their jobs due to technological changes.
>
> I would therefore urge upon your committee the extension of sound collective-bargaining agreements and the growth of industrial unions as a first step toward the protection of those who might otherwise become destitute migrants.
>
> In this connection it should be pointed out that the most publicized group of migrants and those whose conditions have been perhaps the worst are the agricultural workers. These workers are excluded from the rights of collective bar-

gaining under the National Labor Relations Act. Your committee has already heard testimony as to the industrial character of most of the operations in which these agricultural workers are engaged. Therefore I need not repeat those facts.

Mr. Henry A. Wallace, when Secretary of Agriculture, made the following comment upon collective-bargaining rights for agricultural workers—

And this view seems to Mr. Murray the one that might be a criterion for judging the areas in which collective bargaining could be immediately extended. Quoting Mr. Wallace:

> For the purposes of the National Labor Relations Act, however, special attention must be given to employee status. Most farms of America, having no hired workers, are not affected. On those farms which have a man or two, regularly or at certain seasons, relationships between employer and worker are much like those of the handicraft stage of industry. Where workers are employed in considerable numbers on a farm, regularly or seasonally, questions arise as to terms and conditions of employment that cannot be distinguished in nature from those that arise in factory, mill, or mine. Here, as in industry, arises the need for a democratic means of redressing that inequality of economic power that is evident when the single workman faces the employer of many. Insofar as workers desire to call upon or organize unions for assistance, they have that clearly established right in the exercise of which they are legally protected.

A further proposal which Mr. Murray makes is a discussion of the lack of adequate coverage under the social-security laws. You will have, I understand, expert witnesses on this matter.

The position of the C. I. O. and of Mr. Murray has been that, to these workers whose insecurity is perhaps the greatest in the country, there should be extended the benefits of the social-security laws. That involves certain technical problems, such as the question of coverage on the part of the State unemployment compensation systems which are, after all, only State-wide. It involves certain difficulties as to the transfer of benefits from State to State, or from covered to uncovered occupations.

He also states further the position that—

> A further extension of the wage-and-hour law ought also to be made to protect the wage and living standards of many of these migrant workers. Much of their hardship arises from the fact that they are often at the mercy of employers and must accept, in order to live, any wage that is offered.

He goes on further to say:

> The need for extension of these national laws to migrant workers emphasizes the fact again that the problem of the migrant is a Federal problem and can be handled effectively for the most part only on the Federal level. By the very nature of the case, it is impossible for the States effectively to meet the problems of those workers who move about within the State or more especially from State to State.

Then he goes on to speak about the problem of relief and the W. P. A. One of the most serious difficulties—and that is one in which I have had considerable personal experience—which migratory workers have is the fact that they do not have those residence requirements necessary to get them either relief or W. P. A. when they are out of a job. It seems to me that it is clearly a Federal problem to meet the needs of those workers.

One suggestion which seems sound is for a system first of uniform settlement laws. I understand the committee calls it uniform residence requirements for relief.

Mr. **Parsons**. Would you advance the theory that some have that we ought to abandon settlement laws entirely, repeal them all?

Mr. **Hetzel**. I do not think so at this time, Mr. Congressman.

Mr. **Parsons**. But you would prefer uniformity?

Mr. **Hetzel**. Certainly there ought to be uniformity and if we do not abandon them, then a system of Federal grants-in-aid which would give the States funds to carry the responsibility which is, after all, not their own.

Mr. **Parsons**. And that is the only way in which we, as the National Congress, could demand uniformity in the settlement laws.

Mr. **Hetzel**. Yes.

Mr. **Parsons**. I notice in Mr. Murray's statement that, although there were 35,000 less men working in the steel industry today, the output is greater than at any time in the history of the country.

Mr. **Hetzel**. That is right, Mr. Congressman.

LABOR DISPLACEMENTS IN STEEL INDUSTRY

Mr. **Parsons**. What is the cause for the displacement of so many men in that industry?

Mr. **Hetzel**. It has been the introduction of new technological changes, the most important of which is the introduction of the continuous automatic strip mill.

Mr. **Curtis**. Will you explain that just a little further?

Mr. **Hetzel**. The old mills, for the production of steel strip, rolled strip steel, were in fairly large part a hand process and involved a large number of handlings of the steel from the furnaces into the finished rolled strip, and the rolls moved slowly. In these new mills, it goes direct from the ingot into the rollers, not touched by any man's hand and automatically runs at the pace of 25 to 30 miles an hour through these mills without the necessity of any handling by any man. So that in an enormous mill which turns out the steel previously manufactured by 16,000 to 18,000 men, they employ only about 3,000 or 4,000.

Mr. **Curtis**. How long has that process been used?

Mr. **Hetzel**. The first mill was built and developed in 1926. It began to be introduced commercially in 1929 and the effective production of the mills began in about 1937. The full impact of those technological changes in the steel industry was begun to be felt about that time.

Mr. **Curtis**. About what percentage of the men have been displaced by that process?

Mr. **Hetzel**. The total employment in the steel industry runs about half a million. It involves some complication, because those persons are replaced by other new defense industries which would make the total displacement due to the continuous-strip mills more than 30,000. Our people have estimated about 80,000. But due to increases in employment in other parts of the industry, the total of 30,000 relates to the full output of the basic steel industry.

Mr. **Curtis**. On the basis of 80,000 out of a total of half a million, it would be somewhere between 15 and 20 percent of displacement.

Mr. **Hetzel**. Yes. That is only the strip mills. There are other processes.

Mr. Curtis. Yes. The next question I was going to ask you was, Have similar developments in other fields created a similar situation with regard to labor demand?

Mr. Hetzel. Yes. I have an abstract of some considerable testimony, that about eight of our unions prepared, before the Temporary National Economic Committee on just this question. All of them from the major basic-production industries of the country testified that there were changes occurring in production techniques of industry which were very rapidly decreasing the number of man-hours necessary per unit of production.

Mr. Parsons. To what extent has the introduction of labor-displacing machinery caused the present great unemployment?

Mr. Hetzel. As we have analyzed the number of unemployed, which we estimated last month at about 9,115,000—that is our own C. I. O. estimate—we have estimated that perhaps three to three and a half million of those were due to displacement by machines. The rest of the approximately 9,000,000 were due to the increase in the working population in the past 10 years. We base that around 1929 when you had, roughly, full employment and full production.

Mr. Parsons. One-third, then, is due to the introduction of labor-displacing machinery and two-thirds due to an increase in the population?

Mr. Hetzel. I would say that would be roughly true.

Mr. Parsons. What is the final answer to this unemployment problem?

Mr. Hetzel. I wish I knew, and could say it in a word, Mr. Congressman.

Mr. Parsons. I want you to comment on it.

CONFERENCE ON UNEMPLOYMENT

Mr. Hetzel. Our proposal has been a joint meeting of minds in the country. We would, of course, have some suggestions to make to such a conference, and they would be based on the thesis, by and large, that the way to move closer to a stable economy, based on full employment, is to take those steps which will create an effective purchasing power in the hands of the consuming public. And that means, by and large, the working people, the working farmers, the industrial workers will have a purchasing power of such a size and magnitude as will enable them to buy the things that they produce.

There are a number of measures—we think collective bargaining is the most important one—to increase the share of the national income going to the working people. We think that farm programs which give the farmer at least the cost of production are a part and parcel of the program.

There are other measures to be taken by the Government to adjust that flow of income in terms of taxation.

We have set forth at some length in Mr. Lewis' report to the C. I. O. convention the adjustment of taxation, so that taxes, the $16,000,000,000 each year which the citizens pay out of the national income—so that those are taken in not from the areas where they reduce the consuming power of our people but from those areas, those economic areas by and large which are not being used now in either consumption or production.

Similarly, adjustments need to be made in the social-security system and in the rates of profit taxation. But they would revert to measures which bear out the thesis that by giving the people in this country—the working people, the farmers—the income necessary to buy what they produce, we can reach a point of full employment in a stable economy without interrupting our democratic way of life or seriously disrupting the operation of our normal market system.

DEFENSE PROGRAM

Mr. CURTIS. Referring to your paper, where you touch on national-defense industries, there are perhaps two forces bidding for these new industries. One is in areas that were formerly industrial areas, perhaps ghost towns. And the other group is the one that says to move them to the agricultural areas where there is much distress, where there is an ample labor supply, and where there is a need for supplemental income on the part of farmers who have been unable to make a go of it.

Those two groups naturally are working against each other. If there is one factory to be installed, it cannot be in a ghost town, in an industrial State, and at the same time be out in the Dust Bowl, to help the people out there.

What comment would you care to make on the location of defense industries as pertaining to a sound economy of the country?

Mr. HETZEL. Well, of course, we have, by the necessity of the kind of organization we are, been most concerned with the rehabilitation of the ghost towns; in part because we have memberships there; in part because we think that from an economic point of view it would be a terrible waste to let go to ruin all of those facilities that are built up around the industry; that is, power plants, homes, stores—the whole community that is created around an industry.

If you build in areas where there has been no industry previously, or no community, then the community as a whole, some way or another, has to bear the cost of creating those facilities. If, however, you replace manufacturing operations in cities that are already built, which already have available the plant, it is not so much of a cost to the Nation as a whole, because you have and can use something already available.

Of course, what we would like to see is full employment, so there would not have to be this competition between the various areas for a small amount of employment.

Mr. CURTIS. Have any of your studies led you to anticipate a dislocation of the labor of the people when the defense program is over?

Mr. HETZEL. Yes; very serious, particularly in terms, for example, of the location of powder plants in rural areas; where you build up an entire community around a powder plant, say, of 5,000 people, and where the employment ceases, and those people are simply stranded.

In the steel areas, for example, the basic steel-production areas are different ones, by and large, from those where the specific fabrication of munitions is being done. So that when the munitions fabrication is finished, then there will be those areas in the same location as the basic steel areas which will be abandoned. And I suppose that that kind of situation could be repeated time and again.

I think the location of a number of these aircraft plants is such that they are one-industry areas, and the result of a one-industry area is that when the industry goes down, if it is for national defense in particular, there is no other recourse but to stagnate or to migrate.

Mr. CURTIS. Has the Congress of Industrial Organizations made any estimate or prediction as to the number of new jobs that are being created or that will be created by the national-defense program?

Mr. HETZEL. We have gone into that at considerable length, Mr. Chairman, and our best estimate is that there will not be more than an average increase, or a decrease in unemployment, next year of more than two and a half million. That includes the creation of an armed force of almost over a million and the defense and other industries stimulated by the defense program.

Mr. OSMERS. Do I understand you to mean that that would be a million and a half in industry and a million in the armed forces? Is that the way you arrive at your figure of two and a half million?

Mr. HETZEL. The way it would work is this: Approximately 2,000,000 in industry, 1,000,000 in the armed forces, and then we will have an increase, an average increase, in the working population of half a million. So we would subtract that from the 3,000,000, which gives us a decrease of that number in unemployment.

Mr. CURTIS. Where does that half a million increase come from?

Mr. HETZEL. Each year the working population has been increasing, during the past 10 years, at an average of about half a million a year.

Mr. CURTIS. Is that due to the birth rate exceeding the death rate that much, or is there immigration, or is there a shift from agriculture to labor, or how do you account for that?

Mr. HETZEL. In the main, it is because of the two population reasons, one being we still are having an increase in the population, and that has its effect in the lower-age groups; and, too, we have a bulge in our population in the age group which is now reaching working age. Just after the World War we had a very high birth rate.

Mr. CURTIS. Is the national-defense program revealing any serious shortage of labor?

Mr. HETZEL. No. We have not been able to find any serious shortage of labor.

Mr. CURTIS. Is there any shortage in the skilled trades?

Mr. HETZEL. In certain areas it has been reported to us that manufacturers have not been able to get workers of specific and limited skills with the facility that they wished. However, we do not know of any Government operations, or any national-defense operations, which have been seriously impeded in their output by a shortage of labor, and we do not anticipate that in the near future at all.

ALIENS IN LABOR

Mr. PARSONS. Have you made any figures or studies to ascertain about how many aliens there are in our industries at the present time in this country?

Mr. HETZEL. Mr. Congressman, we cannot tell about our own membership because we do not ask them on their application cards. We have in most of the industries, especially in the national-defense industries, urged our unions to take an active part in seeing that their alien members will register and in seeing that they took steps to become naturalized Americans if they were eligible. We have never made any very thorough-going survey of it.

Mr. Curtis. In connection with this registration, this interstate migration of both the destitute and the partially employed, what difficulties are they meeting under the Registration of Aliens Act?

Mr. Hetzel. There is a paragraph about that in the statement. In the agricultural areas where the workers follow the harvest north, there is a very serious problem about aliens, particularly the Mexican aliens, who move from State to State. According to the alien registration law, they are required to register their place of residence at all times, and to notify the Alien Registration Division of any changes in address, but as a matter of fact they do not have any address when they are moving through those camps, as a usual thing. We understand from our people who are trying to serve the interests of these groups of migratory workers that that is expected to work rather serious hardship on a group of workers that has been active in that field.

Mr. Curtis. And from your statement, in your application card for membership, you made no inquiry as to whether or not they were alien or citizen?

UNIONIZATION AMONG AGRICULTURAL WORKERS

Mr. Hetzel. No; we have never made that distinction.

Mr. Curtis. Does it follow, then, that you seek the same achievements for the alien laborer as you do for the American laborer?

Mr. Hetzel. Mr. Chairman, we have taken the position that the choice of membership in our unions is not one made by us, but by the employer, and all we seek to do is to organize to improve the conditions of all workers employed by a given employer, and if the employer has not discriminated in the matter of citizenship or noncitizenship, we do not either.

Mr. Curtis. Now, in reference to your ventures in organizing agricultural workers, would you care to comment on that with reference to any special difficulties encountered—the attitude of the employers and workers, public officials, and the public generally?

Mr. Hetzel. Mr. Chairman, I do not have any particular comment to make on that.

Mr. Curtis. What group of agricultural laborers have you sought to unionize?

Mr. Hetzel. My most recent information in that field is that the organization has been concentrated in operations such as canning and processing of agricultural goods, rather than in the specifically farm operations. Our unions there, I know, realize the difficulty that the individual farmer is up against, and they have no inclination to increase that by any unreasonable operations at all.

Mr. Curtis. Have you extended the unionization to cotton picking?

Mr. Hetzel. As far as I know, there is no organization there.

Mr. Curtis. Were you here this morning during the discussion?

Mr. Hetzel. No; I am sorry I was not.

Mr. Curtis. The Secretary of Labor used the term "industrialized agriculture." She defined it as referring to any farmer who employed four or more people. Have you made any attempt to organize that group of so-called industrialized agricultural workers, or not?

Mr. Hetzel. There have been some attempts, and in some areas that has been carried out, where there are very large operations.

Mr. Curtis. What areas, particularly?

Mr. Hetzel. In the Southwest, in the sugar-beet harvesting, and in some areas in California, where there are very large operations.

Mr. Curtis. Does the Congress of Industrial Organizations contemplate a program of extending their unionization to the general run of farmers who employ just a few men part of the year, and maybe one or two all the year?

Mr. Hetzel. I think Mr. Murray regarded the statement of the Secretary of Agriculture as being a sound distinction—the one which I read to the committee—and being the one on which the basis of pursuing collective bargaining might be established.

Mr. Curtis. Is it your opinion that the extension of the Wagner Act to farm workers would make the organization into unions easier?

Mr. Hetzel. Well, certainly that has been our experience in the industrial field. I think I can say without any question that the number of industrial disputes that might have arisen has been decreased greatly by the fact that there is in law the right of collective bargaining, and it is not necessary to dispute that except in a peaceful manner, in the cases where the National Labor Relations Act is in force. The question of extending the act to farm workers, I think, should be made on the basis of the Secretary of Agriculture's distinction.

Mr. Curtis. That is all I have, Mr. Chairman.

Mr. Osmers. Mr. Chairman, I would like to go back to something Mr. Hetzel mentioned before with respect to a national conference on the subject of unemployment, in which Mr. Murray is very much interested. The Secretary of Labor this morning advocated that some agency or bureau be established for the continuous handling of the migrant problem. I believe that your suggestion was to have a conference that would not be in permanent session.

Mr. Hetzel. No.

Mr. Osmers. Did you, or did Mr. Murray, have any idea as to a future program for that conference?

Mr. Hetzel. As I understand Mr. Murray's view on the matter, he feels that if such a conference were convened, and it included the responsible leaders of these various groups of the population, they would be in a position to determine whether or not measures upon which they agreed were ones which would require some continuing agency.

Mr. Osmers. I have always been very enthusiastic about this conference idea ever since it was first proposed, and I cannot understand why there has not been one almost in constant session until this problem is on its way to solution.

The committee has been concerned with the situation in the country at the conclusion of the defense program and at the conclusion of the war. No one knows how long the war is to go on, but we know that it is to end some day. It is my own opinion that it will start a great depression in the United States, and that it will start probably the greatest migration ever seen in the last half century. Do you subscribe to that?

Mr. Hetzel. I think that is so.

Mr. **Osmers**. For example, you mentioned an excellent illustration—the construction of a powder plant employing 5,000 people, in not even an agricultural area; in a hilly, rocky area.

Mr. **Hetzel**. Yes.

Mr. **Osmers**. And at the conclusion of hostilities there would be 5,000 families that would have to move somewhere else. Of course, the Government might support them for a brief time.

Mr. **Hetzel**. Yes.

Mr. **Osmers**. Has your organization made, or does it contemplate making, any studies that would lead to a solution of that problem when it happens?

Mr. **Hetzel**. We have proposed, in broad terms, just during this last convention which adjourned a couple of weeks ago, a broad outline of a program that we think would at least move in that direction, and I would be very glad indeed to have sent to the committee that statement, which is not too long, for your attention.

Mr. **Osmers**. I personally would like to have a copy.

The **Chairman**. That permission will be granted.

(The following extracts from the report of former president John L. Lewis, of the Congress of Industrial Organizations, were later submitted by Mr. Hetzel and accepted for the record:)

War Economy

In the past year the whole economy of the United States has been changed from a peace economy to a war economy. No effective solution has been advanced by the Government or industry to meet the unemployment, insecurity, and low living standards which have afflicted the country. All that has been done has been to divert our industrial resources and energies to the production of war materials and to enlist large numbers of young men for compulsory military service.

While this transference of our economy to a war footing has had some effect in reducing unemployment and raising wages in some cases, such beneficial results are offset by rising living costs and by other economic disturbances which will be noted later in this report.

Furthermore a war economy is an unhealthy economy, tending politically to promote foreign adventures in order that its momentum may be maintained, and carrying in it the seeds of economic collapse when the war period comes to an end, as witness the severe depression which followed the last war in this and all other countries.

The Congress of Industrial Organizations therefore has every reason to push more vigorously than ever for the adoption of its program for a more lasting solution of unemployment, insecurity, and the other economic ills that beset us. This program calls for a progressive raising of real wages and purchasing power, for absorption of all the unemployed through reduced working hours and expanded production, and for legislation to insure security and opportunity for young and old people, the unemployed, and all the needy who are not otherwise provided for.

The first essential to bring about these desirable results is union organization. The chief and most basic service which the Congress of Industrial Organizations has rendered to the country has been the organization of previously unorganized millions of workers in modern industrial unions. For it must not be forgotten that such legislative and political advances as have been made were won chiefly through the organized efforts of the working people.

The Economic Outlook

Last year your president in his report warned of the dangers inherent in basing the prosperity of the Nation upon expenditures for armament.

The United States has now embarked upon a war economy rapidly rising to full flood. We are facing a period when increased employment and increased production will be based solely on enormous expenditures for military purposes.

NATIONAL DEFENSE COSTS

National-defense expenditures totaling 16½ billions of dollars have been appropriated or authorized, in addition to money being spent for such purposes under regular appropriations by such agencies as the Work Projects Administration. It has been officially estimated by the Secretary of the Treasury that some $5,000,000,000 of this sum will be spent in the fiscal year ending June 30, 1941. In the last quarter of the fiscal year it is expected that such expenditures will be at a rate of approximately $8,000,000,000 annually. It has been unofficially estimated that the following fiscal year will see such expenditures totaling some $10,000,000,000.

All or nearly all of such funds will be obtained by increasing the debt of the Federal Government.

This trend will be expected to be greatly augmented by very large exports of arms and arms materials to Great Britain. In the first 8 months of 1940, there was an export surplus of $1,000,000,000, a large part of which was due to arms purchases by Great Britain. This surplus acted as a further subsidy to American arms industries.

The inevitable result of these expenditures will be to increase the national income substantially. Government economists have spoken of reaching by these methods a national income of $100,000,000,000 or more in 1942.

NATIONAL-DEFENSE EMPLOYMENT

Such an increase in production will provide a substantial amount of increased employment, at first in the arms industries and later on in other industries stimulated by the subsidy. The estimates of increased employment which will be caused by the national-defense program vary rather widely. It would seem reasonable, however, to expect an increase in employment in 1941 above 1940 of an average of 2,500,000 workers.

The additional withdrawal of about a million through the draft and the mustering of the National Guard will further decrease the number of persons unemployed. By taking into account the normal increase in working population and the probability that some conscripted workers will not be replaced, it is possible to foresee a decrease in unemployment approximating 3,000,000 in 1941. Unemployment in 1940 has averaged about 10,000,000.

Some of the increased employment and production will arise indirectly in industries not immediately connected with defense, but most of the increased employment and production will appear in armament occupations specifically. This will create an acute deformity of our economic structure, marked by great overextension in such industries as aircraft, shipbuilding, ordinance, and so on.

The major part of the early plant expansions for defense have been financed by the Federal Government, either by Reconstruction Finance Corporation loans or by direct grants.

THE WAR ECONOMY

It is clear that the Nation has shifted to a war economy, administered by the representatives of corporate industry and finance. And the American people are faced with all the hazards which arise therefrom.

If any nation comes to depend for its prosperity only on increased military expenditures, it becomes chained to a Frankenstein which drags it inevitably toward war. Unless substantial economic offsets are provided to prevent this Nation from becoming wholly dependent upon the war expenditures, we will come sooner or later to the dilemma which requires either war or depression.

When a nation's economy comes to be based on arms expenditures, the cessation of such a subsidy means depression. the kind of depression that rests most heavily upon the wage earners and farmers.

The war economy is marked by diversion to essentially nonproductive work of a large part of our national capacity and effort.

It means a substantial part of our labor and of our capital are dedicated to the building of instruments of destruction. The "dust bowl" and its ruined farmers, the abandoned coal mines, and the stranded miners stand as reminders of the destructive character of a war boom 20 years ago.

Typical of the war economy is a rise in the cost of living such as to sweep away the increase in pay rolls. Typical also are profits moving to astronomical figures; the creation of enormous reserves of workers in the Army and in arms industries, beyond the capacity of industry to reabsorb; the building of great plant capacity, usable only for arms.

Under the shelter of the arms subsidy all the economic deformities which cause unemployment and depression in more normal times become aggravated. This phenomenon cannot but induce a skepticism on the part of the common people of the Nation as to the purposes to which national-defense expenditures are being turned.

It is not necessary for this Nation to fall victim to a war economy. If sound economic measures are pursued, it is possible to provide for our national defense without mortgaging our economic future. The means are the extension and acceleration of the kind of program already set forth by labor.

GUNS AND BUTTER

European nations have by choice or by necessity withdrawn from consumers' goods and incomes the necessary labor and resources with which to arm. As long as this country has a reservoir of 10,000,000 unemployed, as long as it has a vast unused capacity in its regular industries, we need not sacrifice butter for guns.

Indeed, unless production in the consumers' goods industries is substantially expanded along with the national-defense production, the Nation will fail to absorb its unemployed. It will take an income of at least $100,000,000,000 to wipe out unemployment.

The rise of production to 1929 levels in December of 1939 revealed that such an output could be reached with two and one-half to three million less workers employed at an average of 38 instead of 48 hours per week. The steel industry, producing the same tonnage, employed 68,000 fewer workers in the summer of 1940 than in the peak period of 1937. Similar figures can be cited for all the major American industries. Under the pressure of national-defense production this movement will be accelerated and the number of workers employed will fail to rise in proportion to increased production.

It will be possible for the national income to reach one hundred or one hundred and ten billions of dollars, with ten billions only of that income turned to arms. There would be left ninety to one hundred billion dollars for the ordinary needs of our people, an income high above any previous level.

Should, however, such a rise in the income be accompanied by the soaring cost of living and the fantastic profits of the World War period, disaster or economic collapse will follow. If, on the other hand, prices are held within bounds, wages rise evenly, profits are only reasonable; if the low incomes of the Nation rise and the high incomes are lowered; if the people are equipped with the money to buy all those things which they need; if unemployment is vigorously wiped out; then our people need not fall victims to a war economy.

Up to the present there has been little effort by responsible public officials to institute measures which would offset the dislocations of the arms production.

Much more effective and persistent adjustment is essential in the following areas:

1. The proportion of all income which goes to wages must increase. The growing power of the Congress of Industrial Organizations added many millions of dollars to the incomes of wage earners again in the last year. Nevertheless there are large areas in American industry where the right of collective bargaining has not been recognized and where low wage levels constitute a drag upon the well-being of the other organized and unorganized workers.

The average weekly wage in manufacturing industries for 1939 was $24.50. This is a substantial improvement over the wage earned at the inception of the Congress of Industrial Organizations. If, as is rare, such a weekly wage were earned for 52 weeks of the year, it would, however, constitute an income of approximately $1,250 annually for the average wage earner's family.

Such an income is barely half of what has been calculated after careful study as being a minimum standard for health and decency by a distinguished committee of scholars, the Heller committee, in California. It is clear that substantial improvement is required in the status of the American wage earner and that such improvement must take precedence in a period of growing national income. From an economic point of view, therefore, the further extension of collective bargaining is imperative.

2. The cost of living must be protected by the maintenance of a stable and reasonable price structure. If the effect of increased money wages is wiped out by increased cost of living, no useful purpose is served by such wage rises. For the first 3 months of the national-defense program the price structure has remained fairly stable. Rifts, however, have appeared and on certain commodities serious price increases have already occurred.

The National Defense Commission has indicated its opposition to such price rises but as yet no effective steps appear to have been taken to prevent them.

3. Profits must be kept at a reasonable and just level. The World War saw profits soar, in spite of a strong excess-profits tax, to unprecedented levels. Since the outbreak of the European war the profits of major American corporations have moved rapidly upward, increasing for 200 leading corporations some 60 percent.

INEFFECTUAL TAX MEASURE

In spite of a clear commitment in policy to prevent excessive profit, the Federal Government has in fact lifted the moderate restrictions previously in effect. The so-called excess-profits tax bill was the vehicle for wiping out a profit limitation of 7 and 8 percent on a large number of shipbuilding and aircraft contracts. It further provided for a 5-year amortization plan of newly constructed national-defense facilities, a plan which amounts, in many instances, to a gift of plant facilities to private industry. The so-called excess-profits tax which accompanied these measures is a highly complicated and almost completely ineffectual tax measure which ill deserves the title.

4. The national tax structure needs a vigorous reversal in its now seriously retrogressive character.

Each year some $16,000,000,000 is withdrawn in taxes from our national income of which Federal taxes amount to $6,000,000,000, State taxes to $4,500,000,000 and local and municipal taxes to $5,500,000,000.

Of the $6,000,000,000 withdrawn in Federal taxes some 55.6 percent in fiscal year 1940 was of a retrogressive nature, that is, taxes on consumer products. Only 44.4 percent was collected through inheritance, income, and similar taxes based on ability to pay. This compares with 1930 when 31.8 percent of the Federal taxes came from consumer taxes and 68.2 percent came from income and corporation taxes.

Some 83 percent of the State taxes bear directly upon consumption products in the form of sales and excise taxes. About 75 percent of the local and municipal revenue is derived from real estate and property taxes which bear most frequently upon wage earners and property owners.

Two new tax bills have been passed during the present session of Congress. Both of these bills further aggravate the retrogressive character of our tax structure.

The first revenue bill is to raise $1,000,000,000. Over 50 percent of this amount will come from the imposition of additional consumer taxes and the lowering of exemptions on individual incomes. The income-tax rate on income levels above $4,000 was raised somewhat.

The second revenue act was designed to tax excess profits. The bill will raise a little over $400,000,000 the first year, according to Treasury estimates. Over one-half of this revenue will result from an increase of 3.1 percent on normal corporation profits above $25,000. Only $185,000,000 will be derived from excess-profits taxes. While the excess-profits tax rate is 25 to 50 percent the effective rate, after the liberal deductions and allowances that are permitted, will be about 8.5 percent.

In addition, the excess-profits tax bill repealed profit limitations on Government shipbuilding and aircraft contracts of 7 and 8 percent on the cost of production.

Under this act, most of the major high-profit corporations of the Nation will escape paying any substantial excess-profits tax, even though their profits may in some cases, be as high as 25 or 30 percent. The business most severely penalized under the tax will be those with poor-profits records in the past or those rapidly expanding.

The result of both of these revenue acts has been to aggravate the tendency of the Federal Government to draw its taxes from low-income groups. A vigorous reversal of this policy is essential to a sound system of taxation.

PURCHASING POWER

5. A further expansion in purchasing power must be made available to beneficiaries under the social-security program and to the unemployed. The continued payment of small insurance benefits to the aged and to the unemployed under the social-security system will constitute a drag upon the consumption capacity of these groups of the population. This condition continues to be intensified by the collection of taxes for such a system from the very income classes who are presumed to be benefited. There continues to be such collections on the whole far exceeding the amount of benefits paid out. Only 39 percent of some $3,000,000,000 collected in unemployment compensation taxes have been returned to beneficiaries. The effect is adverse. The institution of a program, as suggested by the Congress of Industrial Organizations providing for substantially increased benefits and for tax income based rather on ability to pay than upon wage taxes, would improve the economic situation.

The analyses of probable increased employment under the national-defense program make it clear that for some time to come there will be extensive need for public work to care for the unemployed. The inadequacies of the present Work Projects Administration program have already been pointed out. An extended program in this sphere seems clearly necessary.

The adjustment of these factors to absorption of the increasing product of industry requires more than the haphazard compulsions of the market. It requires intelligent direction on behalf of the Nation as a whole. In the basic and major industries the rate at which increases in production shall occur, the increases of capital, the hours of work, the increase of wages, and the establishment of sound economic prices are all matters of such import that they must be interrelated by the most careful design.

Within each of these essential industries the problems of expansion to full production should become the joint responsibility of the representatives of management, labor, government, and the consumers. Within such responsibility would be encompassed the details of production, wage, and price policies.

The financial and credit sources of the Nation must be similarly adjusted to national needs and to the public interest.

The starting point for such deliberate designing of full production and full employment could well lie in the calling of a conference of the responsible leaders of labor, industry, agriculture, and the Government, as has been continuously proposed by the Congress of Industrial Organizations. Such a conference could set forth the machinery and the principles by which our capacity can be utilized not only for national defense in a military sense, but for that national defense which calls for the high morale and well-being of our citizenry.

* * * * * * *

In such terms as these, it is possible to create an economy moving immediately to absorb our extensive unemployment, not only in the making of arms but also in a greater production of goods needed by our people. Such measures also provide the basis for an economy competent to absorb the shocks of the extensive national-defense program. The nature of the economy should be such that it will be a growing one when national-defense expenditures cease. Our economy must be capable in the future of absorbing the workers previously employed in the armed forces and in making arms. The alternative is disaster.

TESTIMONY OF RALPH HETZEL, JR.—Resumed

Mr. CURTIS. There was one other thing that I was going to inquire about, and I did not get to it. I do not believe in the omnipotence of the Congress of the United States; but what advantage would a conference, meeting in continuous session, made up more or less of volunteers, possibly by invitation, have over the Congress, representing its industrial areas, its labor districts, its agricultural districts, and so on? I am not disputing your point, but I want you to point out for the record what advantage this conference would have.

Mr. HETZEL. Well, Mr. Congressman, included in the suggestion of those who should be at the conference were representatives of the Government, and they, of course, include the responsible congressional leaders. The point of having the other groups in is that they do represent very powerful elements in our community which are parties at interest, and which are not represented as such in the Congress of the United States, and they are to agree upon a program which presumably would be presented to the proper authorities, being the Congress and the Executive, to be carried out in whatever measure was necessary.

Mr. CURTIS. Why would a group of those men be more likely to arrive at a solution?

Mr. OSMERS. I would like, if I may, Mr. Chairman, to answer that question. As one Member of Congress I feel that any group of men concentrating on one topic will accomplish a great deal more than 435 men concentrating on every topic. Now, we know that the migrant problem is a problem for the 435 Members of the House, but there are only 5 of us charged with the responsibility of handling this particular problem, and too often in the history of our unemployment in the last 10 years we have had the C. I. O. meet in convention and make their settlement of their problem to their satisfaction, and the A. F. of L. would have a convention and they would agree to a conclusion satisfactory to themselves, and the National Association of Manufacturers would do the same thing, and the chamber of commerce, and Congress, all working from different points of view. I think that we need this conference to tie the loose ends together and bring the interested parties together.

Mr. CURTIS. I think your suggestion of a conference has considerable merit, because there are individuals who could make great contributions along these lines who have not interested themselves in the field of government.

Mr. HETZEL. I think that is so.

SUPPLY OF SKILLED LABOR

Mr. OSMERS. Mr. Hetzel, I would like to question you just a little further with respect to this shortage or lack of shortage of skilled mechanics in the United States. There seem to be some widely divergent views on that subject. Would you care to enlarge on that just a bit? You, as I recall, said that you knew of no industry that was seriously handicapped by the lack of skilled mechanics.

Mr. HETZEL. The reports that have come to me, not only from our labor people but through, for example, such statements as that of Eugene Grace, of the Bethlehem Steel Corporation, in his most recent report to the stockholders; of the General Motors Corporation; of the Aeronautical Chamber of Commerce. All have stated that they anticipate no difficulty in the procurement of proper labor. Sidney Hillman, who is Commissioner of the Labor Division of the National Defense Commission, has made a similar statement. Our own unions verify that continuously. For example, today, in the area of tool and die making, which has been regarded as one of the difficult problems, there are some ten to fifteen thousand of the most highly skilled tool and die makers in the country idle in the automobile industry. They work seasonally, and when they are tooling up for new automobiles they work for about 3 to 6 months. The rest of the year they are not used, and their highly skilled capacities would be available.

Mr. Osmers. Would you say, Mr. Hetzel, that we had a poor distribution of skilled labor, rather than a lack of it?

Mr. Hetzel. We have not been able to trace down and prove any statement to the effect that there is a shortage of labor in any specific operation or job or plant or locality, and as yet I have seen no satisfactory proof that the distribution of labor has hindered the operation of the defense program.

Mr. Osmers. I know, of course, of several industries that have been established in my own State of New Jersey, in the making of airplane motors and instruments, particularly where the industries have brought in with them—I do not know under what arrangement, but they have moved in the skilled workers that they require from other parts of the country. But apparently they are substantially equipped for the work.

Mr. Hetzel. Yes.

Mr. Osmers. Now, I do notice in the newspapers advertisements for machine-tool workers and instrument makers at all times. Now, whether that indicates that they need a few more or that they have a shortage, I could not say.

Mr. Hetzel. Our experience has been that it is simply a relative matter. That is, you can operate at a number of levels of skill. I do not think there is any time in the country when we could not use more skilled workers. It is simply a relative matter. We may have to dilute somewhat, but that is not a process that is being brought on only by defense production. Actually the introduction of production techniques in the automobile industry and in the airplane industry is really the most effective dilution that could be adopted. What happens is that if you attempt to do it all in a special operation, it will take a long time, but if you break it up into several skilled or semiskilled groups, it can be done in 6 weeks.

Mr. Osmers. Would you care to comment on the lack of vocational training that is available in the United States? I might say, before you answer the question, Mr. Hetzel, that in traveling through the country we have found that a great many of the migrants had no definite skills or education along particular lines at all, and that that had contributed considerably to their migration.

Mr. Hetzel. Yes; I understand that something like 80 percent of the vocational educational facilities of the country are concentrated in half a dozen States.

Mr. Osmers. I think that is a true statement.

Mr. Hetzel. And that most of the young people outside the urban areas just do not have a chance for vocational study.

In addition to that, my own feeling is—and this is mine personally—that we do not have, and never have had, a secondary educational system in this country adjusted to the kind of work that young people are going to do after they get out.

Mr. Osmers. That is my own opinion, and I am glad to hear you state that.

One more question, Mr. Hetzel, and that is with respect to hours. We had Colonel Fleming here this morning, and we were discussing with him the question of maximum hours that men can be worked to efficiency, particularly in view of the demand for increased production in the defense program. Does your organization have any studies or comments to make on that?

Mr. Hetzel. We have taken the view that hours should be continuously decreased, at least in the present range, on two grounds: (1) That it increases employment opportunities, and (2) that it increases efficiency and improves the health of the people involved.

Now, in a national-defense period it seems to me there are only two excuses for increasing your hours. One is that there is not any more labor, and you have got to have more production; and the other, related to that, is that there is not any more highly skilled labor. But I do not see any other excuse, because it has been proved that workers who are working at 40 or 36 hours a week have a much higher hourly production than workers who are working longer hours. If you want maximum production, therefore, you might work three shifts of 40 rather than working two shifts and dividing the hours and making them work long hours.

Mr. Osmers. Colonel Fleming expressed a similar opinion, and based his remarks on some experiences that they had had in England during the last war and during the present war—that just increasing the hours arbitrarily in an attempt to increase production had not increased production at all.

Mr. Hetzel. That is true.

Mr. Osmers. That they had reached the point where production fell off.

Mr. Hetzel. Yes.

Mr. Osmers. And that 45 hours as a general norm seemed to be about as long as a man could work at the peak of efficiency.

Mr. Hetzel. Yes. They tried it in England, of course, and had to reduce the hours.

Mr. Osmers. That is all I have, Mr. Chairman.

Mr. Sparkman. Mr. Hetzel, with reference to this question of a shortage of skilled labor, you say there is not a shortage. I notice that the Civil Service Commission is advertising continuously for these skilled workers, and so are the navy yards and the various Army posts.

Mr. Hetzel. Yes.

Mr. Sparkman. My own impression has been—of course it is based more or less upon what I see in the papers and those notices from the Civil Service Commission—that there is a shortage or anticipated shortage of skilled labor. I wonder if your opinion is based upon studies that you have actually made, or is it just a personal opinion?

Mr. Hetzel. We have examined all the situations that have been brought to our attention, and we have not found the ground for saying that there was any shortage of labor. Now, it so happens that a number of Government establishments operate, as I understand it, something like this: If they have got 10,000 jobs on lathes or boring machines, they ask for 10,000 machinists. What they need, however, is about 9,000 machine operators and about 1,000 machinists. Now, if you are going to put machinists to operating machines on a production basis, then you will have a shortage of machinists; but if you are only going to use machinists for jobs that require full skill, then I do not anticipate any serious difficulty.

I do want to say this: That it will undoubtedly be necessary, if we are going to expand our programs, to have some training work carried on, and that we support and encourage.

Mr. Sparkman. When we were out on the west coast, a representative of the aviation industry told us that they were constantly recruiting skilled labor from all parts of the United States, and particularly in the midwestern States, and he at least gave us the impression that it was a continuous job for them to recruit a sufficient amount of skilled labor to carry along that work.

Mr. Hetzel. One of the difficulties which the aviation industry has is that they pay rates that are some 20 percent below the rates paid for similar work in, for example, the automobile industry, which is unionized; and so you can understand that a machinist in the automobile industry who had been previously employed would be reluctant to leave automobile areas for employment at a 20-percent lower rate.

Mr. Sparkman. Yet, according to his testimony, that is where they get their labor.

Mr. Hetzel. Well, there has been such unemployment there that they do get a marginal group.

Mr. Sparkman. That is all Mr. Chairman.

Mr. Hetzel. Mr. Chairman, one of our affiliates has asked if they may have the leave of the committee to file within 10 days a statement on migration of shoe factories.

The Chairman. That will be permitted.

I want to state this to you, Mr. Hetzel: This investigation is a rather new one in the United States. The ordinary idea of it is that just one State is affected, such as California. We started in New York, then went to Alabama, Illinois, Nebraska, Oklahoma, and then California, and we found that almost every State is affected with it; and you think it is a national problem, do you not?

Mr. Hetzel. Yes, sir.

The Chairman. In other words, interstate migration will probably increase, will it not?

Mr. Hetzel. Yes, sir.

The Chairman. And the causes of it are so many—mechanization, unemployment, worn-out soil, and different things. Now, the short-term approach to it, of course, is, When they start out to go from State to State, what are we going to do with them?

Mr. Hetzel. Yes; that is the question.

The Chairman. The long-term approach, of course, might be resettlement, keeping them at home on the farms with farm security, and other things.

Mr. Hetzel. Yes, sir.

The Chairman. But what I was trying to get to you—and I think you will agree with me—is that this investigation that we are making is so complicated and so vast as we unfold it that it ties in with every problem that we have in the United States. Is not that true?

Mr. HETZEL. Yes; that is certainly so.

The CHAIRMAN. I want to say to you that, so far as I am personally concerned, you have made a very intelligent and gentlemanly statement, and I think it will be very valuable to us. Thank you very much.

Mr. HETZEL. Thank you, Mr. Chairman.

The CHAIRMAN. Call Mr. Macon Lewis.

TESTIMONY OF MACON LEWIS, WILSON, N. C.

Mr. OSMERS. Macon, will you give your name and address to the reporter for the record?

Mr. LEWIS. Macon Lewis; Sullivan Annex, Wilson, N. C.

Mr. OSMERS. Where were you born?

Mr. LEWIS. I was born in Enfield, N. C.

Mr. OSMERS. Did you go to school in Enfield?

Mr. LEWIS. Yes, sir.

Mr. OSMERS. How far did you get in school?

Mr. LEWIS. I got to the second grade. I had to miss 4 months of school on account of infantile paralysis, and then we moved to Wilson, and I went as far as the eighth grade there.

Mr. OSMERS. How old were you when you commenced the eighth grade?

Mr. LEWIS. Fourteen.

Mr. OSMERS. How old are you now?

Mr. LEWIS. Going on 18.

Mr. OSMERS. Why did you quit school?

Mr. LEWIS. My father was taken seriously ill and was not able to work.

Mr. OSMERS. Did you ever work in the fields?

Mr. LEWIS. Yes, sir.

Mr. OSMERS. What did you do?

Mr. LEWIS. We stayed in Enfield and raised peanuts, and when we lived around Wilson I worked in tobacco mostly. I didn't care much about cotton.

Mr. OSMERS. What was the first real job that you had?

Mr. LEWIS. The first job I ever had away from home was—of course I was working on the farm, but the first job I had in town was working at a Service Grocery.

Mr. OSMERS. What wages did you receive on that job?

Mr. LEWIS. I received a dollar a day on week days, and $2.50 on Saturday.

Mr. OSMERS. Did you stay in Wilson any length of time after you started to work?

Mr. LEWIS. I stayed in Wilson about 3 weeks, working at the Service Grocery, and then I was transferred—I mean, I got a better job at Lee's Grocery as a clerk, and I clerked there during the late fall, into this spring, and then started to work with the State highway on construction work.

Mr. Osmers. Did you ever go to Florida?

Mr. Lewis. Yes, sir.

Mr. Osmers. And did they bother you when you crossed the border at the Florida line?

Mr. Lewis. Yes—didn't hardly call it bother; they stopped the man that I was with. I was traveling with my first cousin and he told me that they required him to show proof that he had friends in Florida and that he had to have so much money in his pocket before he could enter.

Mr. Osmers. Do you know how much money he had to have to cross the border?

Mr. Lewis. $5, I think.

Mr. Osmers. $5?

Mr. Lewis. Yes.

Mr. Osmers. What did you do when you were in Florida; what type of work?

Mr. Lewis. When I first got to Florida I went out to his brother, I think it was, or brother-in-law, and stayed there about a week, and then I went up to town one Saturday and got a job as a ticket taker.

Mr. Osmers. How long did you work at that?

Mr. Lewis. I worked at that about 2 or 3 weeks, and received word that my father was seriously ill, and we returned to Wilson.

Mr. Osmers. Your father passed away at that time, did he not?

Mr. Lewis. Well, he did not just at that time. He died about 2 months later, but he was seriously ill then.

Mr. Osmers. How many brothers and sisters do you have?

Mr. Lewis. I have three brothers and five sisters.

Mr. Osmers. Was your mother well at the time?

Mr. Lewis. No; she had been an invalid for 14 years, paralyzed on the right side.

Mr. Osmers. Who took care of your mother?

Mr. Lewis. Well, she moved to my aunt's, and when I got a job at the Service Grocery I started paying her $5 a week for her board.

Mr. Osmers. Where have you been working since your father died; is that at Dunn, N. C.?

Mr. Lewis. I have been down to Dunn, N. C., picking cotton when I got a job on the farm, and I did not like picking cotton much, but I stuck it out until I came to Wilson when I got a job with the Service Grocery, and worked there for 2 or 3 weeks until I got a job as a clerk at Lee's Grocery.

Mr. Osmers. In other words, you worked as a clerk in a grocery store?

Mr. Lewis. Yes.

Mr. Osmers. And you made deliveries, did you?

Mr. Lewis. Yes; delivered groceries.

Mr. Osmers. What did they pay you?

Mr. Lewis. When I was at Lee's Grocery, delivery boy, I got around—generally averaged $7.50 a week, as I worked practically every day, and at Lee's Grocery I received $12.50 a week as a clerk.

Mr. Osmers. How long did you work at Lee's Grocery?

Mr. LEWIS. I worked there all last fall and this spring up until I started working for the State highway commission.

Mr. OSMERS. What are you doing with the State highway commission?

Mr. LEWIS. I was a "broom" employee; I was on the center line for a while, and was transferred and put on a broom operation; that is a large broom machine that sweeps the dirt and dust off the road before they shoot the asphalt on it—re-cover it.

Mr. OSMERS. How long did you stay with the highway work?

Mr. LEWIS. I was there all spring, latter part of the spring and all summer, and most of the fall.

Mr. OSMERS. Did you go back to the grocery store job?

Mr. LEWIS. No. I got a part-time job with the N. Y. A. learning the trade of carpenter. That pays $8 a week, but you only work 2 weeks to the month.

Mr. OSMERS. Is there anything to do in Wilson at this time?

Mr. LEWIS. No; not at this time; because they had a bad tobacco crop this year due to a lot of bad rains and some of the farmers lost as much as a third of their crop and some lost more.

Mr. OSMERS. And what effect did that have on the business of the town?

Mr. LEWIS. Well, Wilson is mostly dependent for its business on the tobacco market, and due to the farmers losing so much tobacco, there was not much tobacco going into Wilson this year. And that, of course, meant that there was not much work going on, and a good many people in Wilson went over to Fort Bragg, or to Norfolk, and different places, looking for work.

Mr. OSMERS. How about the lawyers and doctors; did they have good business?

Mr. LEWIS. Well, business decreased so much that everyone was hit, and the lawyers and doctors were hit pretty badly too.

Mr. OSMERS. Did your aunt lose any money as a result of the failure of the tobacco crop?

Mr. LEWIS. She did not have a crop, but she lost money, in a sense of the word, because there was not as much work to do, and she was not steadily employed like she was planning to be, but the same thing hit her.

Mr. OSMERS. Are there any people on relief or W. P. A. in Wilson?

Mr. LEWIS. There are quite a few.

Mr. OSMERS. Are there enough relief jobs and W. P. A. jobs to go around?

Mr. LEWIS. No, sir.

Mr. OSMERS. Have you tried to get work elsewhere?

Mr. LEWIS. Yes, sir; I tried for work in Virginia and at Fort Bragg, and several places.

Mr. OSMERS. How did you get to Washington?

Mr. LEWIS. I had my transportation furnished; I came by bus.

Mr. OSMERS. Where did you start from; from what place did you come to Washington?

Mr. LEWIS. Wilson, N. C.

Mr. OSMERS. Would you be willing to go anywhere to get a job you could make a living at?

Mr. LEWIS. Yes; provided it was enough. I have to look after myself and my mother, too, and it is a pretty hard job because of child labor laws.

Mr. OSMERS. You would not be willing to take a chance unless you could take care of your mother, and it is pretty hard to find work in Wilson.

Mr. LEWIS. Yes.

Mr. OSMERS. That is all I have.

The CHAIRMAN. Mr. Sparkman.

Mr. SPARKMAN. Why did you leave the work with the State highway commission?

Mr. LEWIS. The State highway work does not continue through the fall and winter months; it has to shut down because of the cold spells; they cannot construct roads because the asphalt has to be a certain degree of heat before it can be shot and it does not take much cold to freeze, you might call it, because it gets stiff and will not shoot out of the spray like it should.

Mr. SPARKMAN. You are really dressing the roads up for winter; is that it?

Mr. LEWIS. Yes.

Mr. SPARKMAN. What about the N. Y. A.; you said you were there for a while.

Mr. LEWIS. I am still working with the N. Y. A., but it only lasts 2 weeks to the month.

Mr. SPARKMAN. In other words, you get $16 a month?

Mr. LEWIS. Yes.

Mr. SPARKMAN. That is your sole income now?

Mr. LEWIS. Yes.

Mr. OSMERS. When will you be 18?

Mr. LEWIS. This coming April 21.

Mr. SPARKMAN. You are not prepared in any trade; you have not had an opportunity to learn a trade yourself?

Mr. LEWIS. I am learning a trade now.

Mr. SPARKMAN. That of carpenter?

Mr. LEWIS. Carpenter, yes; that is what the N. Y. A. is for; I am learning a trade there.

Mr. SPARKMAN. How long will you have to stay there before you will be qualified as a carpenter's helper?

Mr. LEWIS. Well, my foreman says that I could get a job now as a carpenter's helper.

Mr. SPARKMAN. How long will you have to be there before you can be a carpenter?

Mr. LEWIS. It depends upon how long it takes you to learn it.

Mr. SPARKMAN. You have been making pretty fair progress.

Mr. LEWIS. Yes, sir.

Mr. SPARKMAN. You can use a hammer and saw pretty well, can you?

Mr. LEWIS. Yes; I can use a hammer and saw pretty well; I can read blueprints well enough—well, I have to look at the books to read some of the marks sometimes.

The CHAIRMAN. Where is your mother living now?

Mr. Lewis. My mother stays with my aunt in Elm City, close to Wilson; 2 miles this side.

The Chairman. Does she have any money?

Mr. Lewis. No, sir; she was working for a while and I told her I would pay her as much a week as she got, which was a dollar a day, working on the farm, so I told her if she would look after my mother I would give her the same amount she got at work on the farm.

The Chairman. Are your brothers and sisters contributing to your mother's support?

Mr. Lewis. One of them is; the rest can hardly contribute to themselves.

The Chairman. In other words, they have a hard time taking care of themselves?

Mr. Lewis. Yes.

The Chairman. Now, if you were employed at Wilson, taking care of your mother, would you be satisfied down there?

Mr. Lewis. Yes.

The Chairman. There is a school of thought that believes people who migrate from one State to another do it for no reason whatever, but your preference would be to stay at home if you could make a living for yourself and your mother?

Mr. Lewis. Well, I like to go on trips, and I have been on several hunting trips. But I always like to go back home.

The Chairman. You want to get back home?

Mr. Lewis. Yes.

The Chairman. How old is your mother?

Mr. Lewis. She is 48.

The Chairman. In good health?

Mr. Lewis. No, sir; she is an invalid, paralyzed on the right side and cannot work nor talk.

The Chairman. Well, you are a pretty fine boy.

Mr. Lewis. Thank you.

The Chairman. And this committee wishes you every possible luck, and I know you will get it.

Mr. Lewis. Thank you.

Mr. Sparkman. Are your brothers and sisters older than you?

Mr. Lewis. My sisters and one brother are older. I have a brother who is a sergeant in the Army. I have two brothers younger than I.

Mr. Sparkman. Have you thought about getting into the C. C. C. camp when you become 18; I believe it would be 18, or could you at 17?

Mr. Lewis. Eighteen. I tried to get in that, at least I went there and inquired about it—I never tried to get in—but Mrs. Grainger said I would have to be 18. She is head of the welfare department down there.

Mr. Sparkman. Have you tried to join the Navy; I believe they take them now at 17.

Mr. Lewis. Yes; I would like to get into the Navy where I could learn a trade, but I think they have to have a certain amount of education. I do not know how it is now but I know that used to be a requirement.

Mr. Sparkman. I suggest that you might look into that as it offers an opportunity to learn a skilled trade also.

Mr. Lewis. Well, that is the thought I had in mind, but you have to have a high-school education; that is the thought I had about it.

The Chairman. Thank you very much.

Mr. Lewis. Thank you.

TESTIMONY OF BEN K. ALTER, SHAMOKIN, PA.

The Chairman. Mr. Alter, will you please give your full name and address to the reporter?

Mr. Alter. Ben K. Alter, 520 Bear Valley Avenue, Shamokin, Pa.

The Chairman. How old are you?

Mr. Alter. Thirty-six.

The Chairman. Are you married?

Mr. Alter. Yes.

The Chairman. Have you any children?

Mr. Alter. Yes; two.

The Chairman. How old are they?

Mr. Alter. Eleven and 6; an 11-year-old boy and a 6-year-old girl.

The Chairman. Where were you born?

Mr. Alter. Metal, Pa.

The Chairman. On a farm there?

Mr. Alter. Yes.

The Chairman. How long have you been living in Shamokin?

Mr. Alter. Since 1922.

The Chairman. And what is your trade?

Mr. Alter. I operate mine machinery, repair and maintain machinery for a coal mine—engines and pumps.

The Chairman. In what part of Pennsylvania is Shamokin?

Mr. Alter. Shamokin is 55 miles directly north of Harrisburg, in the hard-coal region.

The Chairman. That is commonly known as the bootleg coal-mining region?

Mr. Alter. Yes; it is referred to as the bootleg area.

The Chairman. I wish you would state for the purpose of the record just what is meant by the bootleg mining area.

Mr. Alter. The bootleg coal-mining industry was born during the depression, and started on a very small scale, and as the conditions throughout the region—unemployment conditions—became aggravated, the bootleg industry increased in proportion.

About 1930 the coal mines started to shut down, and the unemployed men would go out to the mountains and dig a hole and mine coal for their own personal use. Later on they found that they could put in a basket or two and sell a basket or two to their neighbors. At that time there was no direct relief, no Government agency to provide anything for the unemployed. There was no P. W. A. or anything of that kind, so they gradually started mining the coal and selling outside the region.

As collieries shut down more men were thrown out of work, and more men went to the mountains to dig, bootleg, and prepare coal, which was hauled to the city in trucks.

The Chairman. Mr. Alter, what was the cause of the closing down of the mines?

Mr. Alter. The mines closed down because the operators said there was no sale for the coal.

The Chairman. They could not be profitably operated; is that the reason?

Mr. Alter. That was what they said.

The Chairman. And at the time they closed down how many coal mines were involved?

Mr. Alter. Well, I can speak for my particular area around Shamokin. There were, I think, 13 collieries operating in normal times, and there is only one now.

The Chairman. Thirteen what?

Mr. Alter. Thirteen collieries. That means developing the mine, including breaking and preparing the coal.

The Chairman. And how many men were turned out of employment?

Mr. Alter. Well, in normal times they employ between six and seven hundred men at each colliery.

The Chairman. At each one?

Mr. Alter. That is on the average; some of them are larger.

The Chairman. And there were how many collieries, did you say?

Mr. Alter. Thirteen in the Shamokin area; but the entire bootleg area includes quite a large territory.

The Chairman. Doubles the area of Shamokin?

Mr. Alter. Four times as big as the area, including Northumberland and Schuylkill Counties.

The Chairman. Then, as I get it, the bootlegging of coal started originally by people going out to help themselves to coal for their own personal use?

Mr. Alter. That is right.

The Chairman. And then developed into coal digging and taking a sack here and there and selling it?

Mr. Alter. Yes.

The Chairman. So they could exist?

Mr. Alter. Yes.

The Chairman. Were there any prosecutions for taking coal out of the mines?

Mr. Alter. Oh, yes; right from the very beginning the company police arrested you for going on the mountains.

The Chairman. Were there any convictions?

Mr. Alter. Yes, sir.

The Chairman. Many of them?

Mr. Alter. All of them; everybody that was arrested for trespassing that I knew of, was convicted; yes. The practice became so general after the industry had gotten under way, where everybody rather than make a fight of it would plead guilty; it was much simpler.

The Chairman. What was the ordinary fine?

Mr. Alter. $10 or 10 days.

The Chairman. If they did not pay the $10 they took the 10 days?

Mr. Alter. Took the 10 days.

The Chairman. Are those prosecutions still being continued by the companies?

Mr. Alter. Yes.

The Chairman. Well, does the bootlegging of the coal still exist?

Mr. Alter. Yes.

The Chairman. And how many people would you say in Shamokin are still there engaged in this bootlegging, approximately?

Mr. Alter. Well, I would say seven or eight thousand people in Shamokin and around there.

The Chairman. Seven or eight thousand?

Mr. Alter. Yes; in that region; there are at least 20,000 people engage in the business in the entire region, and that includes the 2 counties of Northumberland and Schuylkill.

The Chairman. And are they able to make a living at it?

Mr. Alter. Yes, sir.

The Chairman. They must be or they would not be there.

Mr. Alter. Yes.

The Chairman. Have they any trouble finding a market for this coal?

Mr. Alter. No, sir.

The Chairman. Now, you say that there are 20,000 people engaged in that bootlegging of coal. What would they do if they did not do that particular kind of work?

Mr. Alter. They would have nothing to do but go on relief or the W. P. A., or else move out of the region.

The Chairman. It is not an agricultural area?

Mr. Alter. No; nor industrial. There may be a shirt factory here or there.

The Chairman. Are there many of those people on relief?

Mr. Alter. Well, back when the relief first started there were quite a few, and there are some yet. I do not mean by that that the people are all actively engaged in that business, but they possibly have some employment.

The Chairman. But, in reducing the appropriation for W. P. A. work it is true, is it not, that they cannot get any relief?

Mr. Alter. Yes.

The Chairman. So that they can either get on relief, if they can, or move out of the country; is that not true?

Mr. Alter. Yes.

The Chairman. Or starve.

Mr. Alter. Or stay in business; they will not starve.

The Chairman. Not that kind of people.

Mr. Alter. No.

The Chairman. When did you leave there?

Mr. Alter. I still live there.

The Chairman. And what are you doing now?

Mr. Alter. I am engaged in the so-called bootlegging of coal; I haul coal off the mountain to the preparation plant.

The Chairman. You are still in that work?

Mr. ALTER. Yes. I had worked in the coal mines until they shut down in 1932. I was working in a coal hole up until about 5 months ago, when I got a truck. Since then I have been hauling coal from the bootleg hole to the preparation plant.

The CHAIRMAN. And who pays your wages?

Mr. ALTER. I buy the coal myself from the miner on the mountain; sell it to the man who prepares it, and thereby I make a profit on hauling it, of so much a load; and he in turn trucks it out to the city.

The CHAIRMAN. Now, do the owners of the coal mines make any objection at all?

Mr. ALTER. Oh, yes; they have objected quite strenuously in the last 10 years; proposed legislation, and that sort of thing.

The CHAIRMAN. And what I cannot understand is how you were able to operate as you have operated, after having been arrested; could you still keep on in the bootlegging of coal?

Mr. ALTER. Yes, sir.

The CHAIRMAN. They do not have you arrested for bootlegging, but for trespassing?

Mr. ALTER. Yes.

The CHAIRMAN. And they charge trespassing on more than one occasion, do they not?

Mr. ALTER. Many.

The CHAIRMAN. Have you ever been charged?

Mr. ALTER. Quite a few times.

The CHAIRMAN. In the past how many years, would you say?

Mr. ALTER. In the past 10 years; 8 years at least.

The CHAIRMAN. Did you ever have a jury trial, or just tried by the judge?

Mr. ALTER. For trespass you cannot get a jury trial; you go before a magistrate and he finds you guilty, but you can appeal your case to the court, and then it is up to the judge whether he will sustain the magistrate or not.

The CHAIRMAN. I see. How many years has this bootlegging been taking place?

Mr. ALTER. Ten years; yes.

The CHAIRMAN. And you were fined more than once during those years, were you?

Mr. ALTER. More than once—I got $10 or 10 days.

The CHAIRMAN. And you took the $10?

Mr. ALTER. No; I took the 10 days.

The CHAIRMAN. Well, of course, there have been numerous arrests for bootlegging and I suppose your neighbors do not think it very much of a disgrace.

Mr. ALTER. Not at all.

The CHAIRMAN. They rather sympathize with you?

Mr. ALTER. Yes.

The CHAIRMAN. Do you think there is any likelihood that the mines will open up again?

Mr. ALTER. No; the mines around Shamokin now have been closed down until they are filled up with water, and it would be practically impossible to open them up without the expenditure of many millions of dollars. But it is possible to recover coal in the mountains—the coal that lies above the water level—that is, where the water will drain out into the creek channels. There is quite a bit of coal left and that would provide employment for quite a number of men for a number of years.

Mr. Parsons. From what you might call the slope mines?

Mr. Alter. Yes.

Mr. Parsons. The bootleg coal is taken out of the slope mines?

Mr. Alter. Yes.

The Chairman. Evidently, from your statement, you are able to mine some of the coal profitably, are you?

Mr. Alter. Yes, sir.

The Chairman. Why cannot the coal owners mine it themselves?

Mr. Alter. I do not know.

The Chairman. You do not know, but it is not done.

Mr. Alter. No; it is not done.

The Chairman. Maybe because they want to operate on a large scale?

Mr. Alter. That may be true.

The Chairman. Now, if that bootlegging was to stop at this time, how many people would it affect?

Mr. Alter. I would say 50,000.

The Chairman. And those people have been up there for many years and raised their families there; is that true?

Mr. Alter. That is true; practically all of them.

The Chairman. Well, are there any legitimate mine operations around there?

Mr. Alter. There is one operating in Shamokin.

The Chairman. And how many does it employ?

Mr. Alter. Seven hundred, approximately.

The Chairman. Now, you worked in the mines for a number of years preceding the starting of bootlegging operations, did you not, Mr. Alter?

Mr. Alter. Yes.

The Chairman. How does the amount earned by the bootleg mining operations compare with what was earned by the workers under legitimate operations?

Mr. Alter. Well, working conditions in the legitimate mining operations are much better than they are in bootlegging as far as the wages are concerned; it is pretty hard to earn wages, because in the legitimate mining operation there is no standard wage, everything is contract work, and if a man has a job he may make as much as $15 a day, and if he does not have a good job he may be down to as much as $3 or $4 a day. The same thing is true with bootlegging, but I would say offhand that bootlegging is around $4 or $5 a day while a man is working. But then he has short periods of employment. He is out while they are developing a new hole to mine the bootleg coal. The hole will usually last 6 or 7 months, and then they have to look for another.

The Chairman. What do you do about safeguards, such as accident insurance?

Mr. ALTER. There is no accident insurance, or compensation, or anything like that.

The CHAIRMAN. In other words, you people are willing to run the risk in order to make a living?

Mr. ALTER. Yes, sir.

The CHAIRMAN. Have you ever been on relief?

Mr. ALTER. Yes, sir. Off and on, I have been on relief, while developing a new hole, for short periods of time.

The CHAIRMAN. The committee realizes that the situation you have been telling us of is one which has greatly concerned the State of Pennsylvania. Will you describe the probable future of that industry around Shamokin?

Mr. ALTER. As I see it, in the last couple of years there has been a tendency for local men, with money to invest, to take over this abandoned coal land and to lease it, pay a royalty on the ground, and in that way they will gradually legitimatize the industry. I would say that in a year, in my opinion, in another year, why, the bootlegging will be all absorbed in this type of legitimate industry.

The CHAIRMAN. Thank you very much, Mr. Alter.

TESTIMONY OF PERCY B. TOMLINSON, WASHINGTON, D. C.

Mr. PARSONS. Mr. Tomlinson, take the chair and give your name and present address to the reporter, please.

Mr. TOMLINSON. My present address?

Mr. PARSONS. Yes.

Mr. TOMLINSON. My name is Percy Buxton Tomlinson, temporarily residing at the Veterans' Home at Ninth and Pennsylvania Avenue.

Mr. PARSONS. How old are you, Mr. Tomlinson?

Mr. TOMLINSON. Forty-two.

Mr. PARSONS. Are you married?

Mr. TOMLINSON. Yes, sir.

Mr. PARSONS. How much of a family do you have?

Mr. TOMLINSON. I have two children, one 19 and one 20—girls.

Mr. PARSONS. Where were you born?

Mr. TOMLINSON. Manville, R. I.

Mr. PARSONS. Your home is at Valley Falls, R. I., where you worked in the textile mills?

Mr. TOMLINSON. My home is in Central Falls, about a mile from Valley, where I was working.

Mr. PARSONS. How long have you been here at the Veterans' Home?

Mr. TOMLINSON. A week.

Mr. PARSONS. For what reason did you come to Washington?

Mr. TOMLINSON. I had an idea of going into one of the national homes; but, since I have arrived here, I think I will stay awhile and see if I cannot secure some sort of employment.

Mr. PARSONS. Tell the committee something about your experience, your training as a child, how much education you received, and your experience and work in the textile industry?

Mr. TOMLINSON. Well, I left grammar school in the eighth grade. I went into the textile mill as a schoolboy and there I learned to twist—

what they called "hand twisting." Then I started as a skilled laborer. I worked awhile before the war came, until I was 19. I went to work at the age of about 15, I guess, and when the war came along I enlisted.

Mr. Parsons. Were you overseas?

Mr. Tomlinson. Yes, sir. And after the war was over, I came back home and I went back to my own work—warp twisting. I was earning a fairly good wage. I got married there and I settled in Central Falls, R. I. I worked for a large manufacturing concern out there for approximately 15 years—in fact, up until the time it went out of business.

Mr. Parsons. Why did they go out of business?

Mr. Tomlinson. They went out of business, I imagine, because the southern competition was too keen and, of course, with the higher rate of wages paid in New England, they could not compete. That is the way I understand the story, although I do not know. I was not an official.

Mr. Parsons. About what was your weekly wage in New England?

Mr. Tomlinson. Well, for my special line of work, on a 40-hour basis, about $45 to $50. That I was able to earn all along. But since then there has been a machine developed that takes our place and my reason for migrating from Central Falls—I went to Paterson, N. J.—is that I was under the impression there was a lot of small plants there and that is about the only place I could get in now—in a small place where they do not have enough looms in operation to operate a machine.

Mr. Parsons. About how many men's labor did one of those machines displace?

Mr. Tomlinson. Well, that machine does the work of about—let us see; I am considered a pretty fair twister and I actually twist about 2,500 per hour. Those machines, when they are operating, might do up to eight and nine thousand skeins per hour. And they are operated by girls—it is a simple operation—and they operate on the minimum wage, which I think is about $15 a week, or something.

Mr. Parsons. And that eliminates a lot of male labor?

Mr. Tomlinson. A hand twister, especially, is out. They never hire one now unless, as I say, it is a small plant where they do not have enough work to have a machine.

Mr. Parsons. Did you come down here for the purpose of going into the veterans' home, or looking for a job here? What is the reason for your migrating to Washington?

Mr. Tomlinson. My reason for migrating here, as I said before, my initial idea was to enter a home; but, since I have been here, I have changed my mind because I think there is a possibility of my getting in somewhere here.

Mr. Parsons. You think you might find some employment here?

Mr. Tomlinson. Some sort of employment here. That is what I would like.

Mr. Parsons. What particular job are you looking for? We have no manufacturing or mills here.

Mr. Tomlinson. I know there are no mills here; but, nevertheless, as I said before, I have two children. Their mother works, and one of my daughters works—I loafed around all summer—and the other one has ambitions to become a nurse, and she is finishing school this year.

Mr. PARSONS. Are they with you?

Mr. TOMLINSON. They are not, no, sir; they are still home, maintaining their home in Central Falls. So, if I can get something here and contribute a little toward their support, I think that perhaps my daughter will realize her ambition. There is nothing over there for me.

Mr. PARSONS. Were you disabled in the service?

Mr. TOMLINSON. No, sir.

Mr. PARSONS. You have never drawn any compensation?

Mr. TOMLINSON. I have drawn compensation, post-war compensation. That was taken away in 1923.

Mr. PARSONS. So that your present plan is to remain in Washington if you find a job in Washington?

Mr. TOMLINSON. For a short time, and see if I can be placed.

Mr. PARSONS. If not, you will probably return to Rhode Island?

Mr. TOMLINSON. I think so.

Mr. PARSONS. You say your wife and daughter are working now?

Mr. TOMLINSON. They are; yes, sir.

Mr. PARSONS. And you have all your domiciliary care?

Mr. TOMLINSON. I have.

Mr. PARSONS. So that you can live very cheaply in Washington?

Mr. TOMLINSON. That is true.

Mr. PARSONS. That is all, Mr. Chairman.

The CHAIRMAN. Thank you very much.

TESTIMONY OF MIKE B. THOMAS AND MRS. RUBY THOMAS, WASHINGTON, D. C.

Mr. OSMERS. Mr. Thomas, will you give your names and addresses to the reporter?

Mr. THOMAS. My name is Mike B. Thomas; address, Washington.

Mr. OSMERS. What is your first name, Mrs. Thomas?

Mrs. THOMAS. Ruby Thomas.

Mr. OSMERS. Where were you born, Mr. Thomas?

Mr. THOMAS. Altavista, Va.

Mr. OSMERS. And what was the date of your birth?

Mr. THOMAS. September 6, 1915.

Mr. OSMERS. Mrs. Thomas, where and when were you born?

Mrs. THOMAS. I was born in Claudville, in 1918.

Mr. OSMERS. And when were you married?

Mr. THOMAS. The 6th of February.

Mr. OSMERS. In what year?

Mrs. THOMAS. 1937.

Mr. OSMERS. Is this your only child that you have with you?

Mrs. THOMAS. Yes, sir.

Mr. OSMERS. Mr. Thomas, how far did you get in school?

Mr. THOMAS. Fourth grade.

Mr. OSMERS. And you, Mrs. Thomas?

Mrs. THOMAS. Sixth grade.

Mr. OSMERS. Do you have a trade?

Mr. THOMAS. Laborer.

Mr. OSMERS. Unskilled laborer?

Mr. THOMAS. Yes, sir.

Mr. OSMERS. And where have you been employed mostly during your life—in construction work?

Mr. THOMAS. Through Virginia as a laborer on construction.

Mr. OSMERS. Now, Altavista is a mill town, is it not?

Mr. THOMAS. Yes, sir.

Mr. OSMERS. Did you ever work in the mills?

Mr. THOMAS. No, sir.

Mr. OSMERS. Why not?

Mr. THOMAS. Well, my father was a mill hand for about 20 or 25 years and his health went bad and he had bronchitis, and he had to quit on account of ill health. He advised me not to go to work there on account of being closed in.

Mr. OSMERS. As a result, you never learned a trade?

Mr. THOMAS. That is right; yes, sir.

Mr. OSMERS. When did you come to Washington?

Mr. THOMAS. I came in September, the latter part of September.

Mr. OSMERS. And how did you happen to come to Washington?

Mr. THOMAS. Well, a friend of mine was working at the Potomac Electric Power Co. and he said a job was open and he came through and told me about the job, and I came to Washington.

Mr. OSMERS. Did you write to the Potomac Electric Power Co. before you came?

Mr. THOMAS. No, sir.

Mr. OSMERS. Did not you feel there was some risk involved in not writing first?

Mr. THOMAS. Well, I was so sure of a job that I came straight on up.

Mr. OSMERS. Now, when you applied for this job at the Potomac Electric Power Co., what did they tell you?

Mr. THOMAS. Well, the answer was they had quite a few on the list and they would get to me just as soon as they possibly could.

Mr. OSMERS. How were you fixed for money when you arrived in Washington?

Mr. THOMAS. I was without funds.

Mr. OSMERS. And how did you get the money to pay for your transportation here?

Mr. THOMAS. I borrowed money.

Mr. OSMERS. Now, when you did not get this job with the Potomac Electric Power Co., what did you do?

Mr. THOMAS. Well, I went around and tried to get a room for my wife, child, and self, on the prospect of this job, until I went to work. I could not do anything that way; so, after that, I came to the Travelers Aid Society.

Mr. OSMERS. And did they give you some help?

Mr. THOMAS. Yes, sir.

Mr. OSMERS. Now, did you give any consideration to returning to Altavista?

Mr. THOMAS. Well, the consideration was that there was not anything there for me except just 2 or 3 months at a time on labor construction, as I said, and probably the most of that was during the summer months.

Mr. OSMERS. How long did you stay in Washington before you had a job, and what kind of a job was it?

Mr. THOMAS. Well, it was about 3 weeks, working on repairing bodies and fenders, and simonizing—work such as that.

Mr. OSMERS. What did it pay you?

Mr. THOMAS. $12 a week.

Mr. OSMERS. Did you have any experience at that work?

Mr. THOMAS. No, sir.

Mr. OSMERS. How long did that job last?

Mr. THOMAS. A week.

Mr. OSMERS. What was your next move?

Mr. THOMAS. My next job was with the Union Fuel Oil Co. That is where I am working now.

Mr. OSMERS. What are you doing for the Union Fuel Oil Co.?

Mr. THOMAS. I am a helper on a fuel truck.

Mr. OSMERS. And what do they pay?

Mr. THOMAS. $12 a week.

Mr. OSMERS. Now, are the three of you making out on that money all right?

Mr. THOMAS. Well, scarcely, that is all; it is pretty hard.

Mr. OSMERS. Now, do you think you will be better off in Washington than you would be if you were in Altavista?

Mr. THOMAS. Well, if there is something permanent, I think that it would suit me here.

Mr. OSMERS. Mrs. Thomas, how do you feel about that; do you think the three of you ought to stay in Washington, or should go back to Virginia?

Mrs. THOMAS. Well, I guess we are better off up here than we would be there.

Mr. OSMERS. I did not quite hear you; I am sorry.

Mrs. THOMAS. I say we are better off up here than there, I guess, because we could not get anything down there except just a few months at a time.

Mr. OSMERS. And you feel you are better off in Washington, too?

Mrs. THOMAS. Yes.

Mr. OSMERS. Those are the only questions I have, Mr. Chairman.

The CHAIRMAN. Mrs. Thomas, if you could make the same money or more money at Altavista, you would rather be there, would you not?

Mrs. THOMAS. No; I guess not.

The CHAIRMAN. You would rather be here?

Mrs. THOMAS. Yes.

The CHAIRMAN. Why?

Mrs. THOMAS. I do not know; I would just rather be here.

The CHAIRMAN. It is a little bit more interesting here in Washington?

Mrs. THOMAS. Oh, yes.

The CHAIRMAN. How old is the baby?

Mrs. THOMAS. Three.

The CHAIRMAN. Where are you living now?

Mrs. THOMAS. We are living now over on Eye Street.

The CHAIRMAN. In what sort of a house?

Mrs. THOMAS. One room; light housekeeping.

The CHAIRMAN. One room?

Mrs. THOMAS. Just light housekeeping.

The CHAIRMAN. What does it cost you a month?

Mrs. THOMAS. $6.

Mr. THOMAS. You mean a week.

Mrs. THOMAS. $6 a week.

The CHAIRMAN. And how much are your wages, Mr. Thomas?

Mr. THOMAS. I am making $12 a week, pay $6 room rent and am living on the other when we get caught up. We are so far behind that we really make out on around $3.

The CHAIRMAN. You must be a pretty good bookkeeper at that, to make out on that.

Mr. THOMAS. Well, we don't eat anything fancy, or anything like that; we just live from hand to mouth, that is all.

The CHAIRMAN. Do you think you would be more contented back home at Altavista?

Mr. THOMAS. Sure, that would be all right, if I had regular work and could get a good job, or something like that.

The CHAIRMAN. Say if you got $12 a week, you would rather be back there, or here?

Mr. THOMAS. Well, it does not make any difference to me, so long as I can make a living. That is what I am looking forward to—a job at something I can live on.

The CHAIRMAN. Thank you very much, Mr. and Mrs. Thomas.

Now, Dr. Lamb, did you want to be heard?

Dr. LAMB. Yes. I should like to offer for the record a paper prepared at the suggestion of the committee by Arthur M. Ross, Newton-Booth Fellow in Economics at the University of California, on the economic effect of minimum wages in agriculture. I should like that entered at this point.

The CHAIRMAN. It will be entered at this point in the record.

(The paper submitted is as follows:)

ECONOMIC EFFECTS OF MINIMUM WAGES IN AGRICULTURE BY ARTUUR M. ROSS, NEWTON BOOTH FELLOW IN ECONOMICS, UNIVERSITY OF CALIFORNIA

For several years the national attention has been focused on the plight of migratory agricultural workers, and recently there has been increasing concern with the situation of agricultural wage workers in general.

Traditionally the landless agricultural laborer has been symbolized by the expression "hired hand," with all of the bucolic and comfortable connotations of the term. If these connotations accurately described the typical agricultural laborer today, it could not be said that a rural proletariat had developed as a separate interest group in the population, or that farm workers constituted a problem except as a part of the general farm problem.

It is still appropriate, however, to characterize the body of farm workers in America as "hired hands." The peculiar characteristics which in the past have made hired hands merely junior members of the farming population are (1) a personal relationship with the employer and his family, and consequently a kind of home-made social security; (2) a rough equality of bargaining power provided by the fact that only one or two workers were associated with an employer; and (3) an apprenticeship status because of the real opportunity to become a farm operator once the necessary skills had been acquired. These are the criteria which distinguish a legitimate "hired hand" from an agricultural proletarian. Are they still typical?

They can hardly be said to pertain for the approximately 40 percent employed on farms with 3 or more workers; for the 30 percent who do not even live on farms; for any farm workers in the stratified rural society of the South; for 350,000 or more migratory workers; for between 100,000 and 200,000 workers in the production of sugar beets and sugar cane; for the unknown but large number of temporary workers who take short harvesting jobs; or for the many field workers employed by cooperatives, canneries, packing houses, labor contractors, and other agencies who have relieved the farmer of the labor-management function. These categories overlap considerably; but they indicate that only a minority of agricultural workers are appropriately classified as "hired hands."

The fact that a laboring class substantially without access to the land[1] has been precipitated in the evolution of commercial agriculture in America raises the question of whether it is desirable and feasible for the Government to implement the economic interests of this class through regularization and regulation of the agricultural labor market. That the principle of minimum wages should be extended to wage workers in agriculture has been suggested many times in the past 2 or 3 years. This memorandum will consider the probable economic effects of such a policy upon agricultural costs of production, commodity prices, the competitive relations of large and small producers, the structure of the agricultural labor market, and total agricultural employment.

I. ALTERNATIVE TYPES OF LEGISLATION

The consequences of establishing wage protection for agricultural workers will depend upon the kind of legislation which is adopted. This protection might be established, of course, merely by removing the agricultural exemption from the Fair Labor Standards Act and extending its coverage to farm workers, but several alternative courses of action have been proposed in the discussion of legislative solutions for the agricultural labor problems. Some of the proposals are as follows:

(1) The minimum wages might be set by any one of three methods.

(*a*) A statutory minimum, such as that in the Fair Labor Standards Act, might be established by Congress. This minimum might run indefinitely or might be graduated upward with the passage of time. It might be set at the level which industries covered by the present Fair Labor Standards Act are required to pay (30 cents an hour until 1944, and 40 cents an hour thereafter), or a lower rate might be specified.

(*b*) Flexible minima which varied according to region, to crop, and to type of farm might be set by the determination of the Secretary of Agriculture after public hearings. The variations would be designed to reflect regional differences in the cost of living, differences in the ability of crops to pay adequate wages, and regional differences in the present agricultural wage level. This method is used for determining minimum wages under the Sugar Act.

(*c*) Variable minima might also be set by wage-board procedure with representatives of agricultural employers, agricultural workers, and the Government empowered to fix minimum wages.

(2) The law might be designed to cover all farm workers or only the employees of large-scale and industrialized establishments.

Experience has shown that the practice of covering part of an industry and exempting the rest is often unsatisfactory. It creates administrative difficulties of interpreting the exemption and uncertainty in the minds of employers and employees with regard to their status under the law; it sets up problems of equity between competing producers; and it invites political campaigns to broaden the exemption through legislative, administrative, and judicial action.

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[1] "* * * Machines for having labor and performing processes which could not be done by hand have invaded many parts of the field that was called agriculture and gradually removed from the open country many processes which formerly were performed in farm buildings by farm workers and were thus classed as part of agriculture. Such processing today goes on in more or less remote packing plants, canneries, mills, creameries, or other factory-organized enterprises * * *." Agricultural Engineering, January 1929, p. 14—Economic Issues of Large-Scale Farming, by E. G. Nourse, chief, agricultural division, Institute of Economics, Washington.

On the other hand, there are strong arguments for limiting coverage to large-scale farms. Covering a small percentage of farms would include a much greater percentage of farm workers, because of the concentration of workers on the larger farms. Moreover, a predominant share of agricultural production in which large-scale methods and impersonal employment relationships prevail would be regulated. The author has estimated, for instance, that in 1929 the largest 30 percent of fruit farms produced 74 percent of the aggregate value product of all fruit farms; the largest 30 percent of truck farms produced 72.5 percent of the value product; the largest 30 percent of crop specialty farms produced 67 percent of the value product. The restriction of coverage to farms which systematically employ several workers and habitually keep records would reduce the difficulty of inspecting and enforcing compliance.

The rationale of the suggested limitation assumes that the more or less permanent hired hand on the traditional family farm is less legitimately the object of social legislation than the employee of a large agricultural establishment, whose employment relationship is more impersonal, whose insecurity is greater, and whose opportunity for occupational advancement is smaller. There is also an assumption that the larger employers are better able to pay adequate wages. Legislative differentiation between the family farm and the industrialized farm has been implied by the President's Committee on Farm Tenancy, Secretary of Labor Perkins, former Secretary of Agriculture Wallace, Governor Olson, of California, and other authorities who have discussed the necessity of regulating the conditions of agricultural employment.

If only large farms were covered, a measure of size would be necessary. Application of the law might be limited to farms with a minimum value of product during the previous year, with a minimum-wage bill, or with a minimum number of employees. A minimum-employee criterion might relate to employment at the seasonal peak, at the seasonal trough, or as an average for the whole year; or conceivably employers might be covered only during periods in which they hired the minimum number of workers.

The advantages of these alternative dividing lines require careful study. A criterion relating to operations during the previous year would illogically exempt large employers who were either not in business or else only small employers at that time, and would increase the difficulty of enforcing compliance by making it impossible to ascertain coverage through inspection of the current situation. The use of a minimum-wage bill would create an incentive to pay low wages in order to stay under the limit. The alternative which would cover many employers part of the year and exempt them the rest of the year is administratively unwise for a good many reasons.

It must be recognized that the use of any practicable measure of size would not prevent the coverage of some "hired hands" nor the exclusion of some agricultural workers who are not hired hands. Moreover, even if small working farmers were exempt, we cannot assume that their wage rates would be unaffected by regulation of the rates paid by large employers who draw workers from the same general labor market.

In this discussion it will be assumed that a statute requiring a flat minimum wage is applied to all farm operators who, according to some criterion, are substantial employers of labor. The question of covering workers employed by packing, processing, and marketing establishments will not be analyzed, nor the question of maximum hours for agriculture. Arguments relating to the desirability of minimum wages in general or in principle, either from the standpoint of the industry concerned, or of the economy as a whole, will not be taken up. Collective bargaining as a wage-raising measure will not be considered here, but it should be pointed out that the economic effects would be similar to those of legal minimum wages. Certain judgments on the economic effects of minimum wages for agriculture must be quite tentative because of gaps in the available statistical data, others must be rough and intuitive because of their very nature.

II. COVERAGE

An extremely small percentage of American farms would be covered by a minimum-wage law applied only to substantial employees of labor. In 1929 almost 60 percent of American farms reported no expenditure whatever on wage labor. No labor was employed on 40.9 percent of the farms in New England, 44.6 percent in the Middle Atlantic States, 53.5 percent in the East North Central States, 45.7 percent in the West North Central States, 65.3 percent in the South Atlantic States, 76.5 percent in the East South Central States, 64.2 percent in the West South Central States, 45.2 percent in the Mountain States, and 37.7 percent in the Pacific States (Census of Agriculture, 1930). During most of the year the percentage of farms employing no wage labor is much greater. In 1935 the monthly average number American employing farms was only about 18 percent of all farms, and even in the Pacific States, the most industrialized agricultural region in the country, only 37 percent of the farms were employing labor on the average during that year (J. T. Wendzel, Distribution of Agricultural Employment: Regional Differences, Agricultural Situation, March 1, 1938).

The majority of employing farms would apparently be exempted under a minimum-wage law with a size limitation such as a $500 wage bill, two laborers in January, four laborers in July, or an average of three laborers throughout the year. In 1929 the average wage bill of employing farms was less than $500 in 33 States (Census of Agriculture, 1930). At the present time this is probably true of considerably more States, because the annual American agricultural wage bill is running about 33 percent lower than in 1929 (Income Parity for Agriculture, pt. II, sec. 1, U. S. D. A., April 1939). About 25 percent of the employing farms in the United States had more than one laborer in January 1935. The regional variation was from 37 percent in the Pacific division to 15 percent in the west north central division. About 11 percent of employing farms in the United States, 20 percent in the Pacific division, and 5 percent in the north central divisions had more than two laborers (testimony of William T. Ham, hearing before a subcommittee of the Senate Committee on Education and Labor, May 9, 1940, exhibit 48). In July 1935, more than three laborers were employed on an estimated 7 percent of employing farms in the United States, 12 percent in the Pacific division, and 2.4 percent in the west north central division (J. T. Wendzel, Distribution of Hired Farm Laborers in the United States, Monthly Labor Review, September 1937). The monthly average proportion of employing farms hiring more than two workers during 1935 was about 8.6 percent for the United States, 10 percent for the Pacific division, and less than 1 percent for the west north central division (Wendzel, Distribution of Agricultural Employment, etc.).

A rather substantial proportion of agricultural laborers, on the other hand, is employed on the farms which would be covered under such minimum-wage laws; 1,482,697 were employed in January 1935; 56.1 percent in the United States worked on farms with two or more laborers, 74.5 percent in the Pacific division, and 32.4 percent in the west north central division (testimony of William T. Ham, op. cit.). Total employment was naturally much higher in July 1935, having risen to an estimated 2,679,340; 34.8 percent in the United States worked in groups of at least four, 64.8 percent in the Pacific division, and about 12 percent in the west north central division (Wendzel, "Distribution of Hired Laborers, etc."). On the average during 1935 an estimated 42 percent of American agricultural laborers were on farms employing at least three. This average varied from about 71 percent in the Pacific division to about 17 percent in the east north central division (Wendzel, "Distribution of Agricultural Employment, etc.").

A minimum-wage law applied to farms employing considerable labor would have the virtue of covering larger proportions of the workers in regions and types of farming where industrialized agriculture and impersonal employment relationships are most fully developed. The average wage bill of all employing farms in the United States was $363 in 1929; but it was $1,198 in New Jersey; $634 in Florida; $1,687 in Arizona; $711 in Washington, and $1,438 in California. These are States where agriculture is dominated by the intensive and highly seasonal production of fruits and vegetables, where agricultural concentration is most advanced, and where migratory labor is most important. In two other large farming areas the average wage bill was over $1,000—Massachusetts, Rhode Island, and Connecticut in the eastern dairy area, and Nevada and Wyoming in the range area (Census of Agriculture, 1930).

Moreover, apparently the great majority of manager-operated employing farms would be covered. These farms spent an average of $2,985 for wage labor in 1929; their regional average varied from $1,664 in the west north central States to $4,867 in the Pacific States. Manager operated employing farms were only 0.6 percent of all American farms in 1929, but accounted for over 12 percent of the total wage bill (Census of Agriculture 1930).

III. EFFECT UPON COSTS OF PRODUCTION

The effect of minimum wages upon costs of production will depend upon (1) the level of the minimum and (2) the importance of labor cost as a constituent of total cost. Various fragmentary data indicate that the relative importance of labor cost varies considerably by type of farm, but that on the whole it is distinctly small. (Census statistics on wage payments by type of farm relate to cash wages only, which average about 75 percent of the total of cash and perquisites.)

The total agricultural cash wage bill in the United States was about 8.7 percent of the value of all farm production in 1929. This proportion of cash labor cost to total value product was 4.8 percent for poultry farms; 5.6 percent for general farms; 6.1 percent for animal specialty farms; 8.3 percent for cash grain farms; 8.6 percent for dairy farms; 9.9 percent for stock ranches; 10.3 percent for crop specialty farms; 22.0 percent for truck farms; and 23.7 percent for fruit farms. These proportions are probably considerably lower at present for two reasons: (1) Labor requirements have declined since 1929 (see W. P. A. National Research Project, Changes in Technology and Labor Requirements in Crop Production); and (2) farm wages have declined more than farm prices.

To show the probable magnitude of the effect of minimum wages, it is necessary to construct hypothetical examples. There are no comprehensive statistics of wage rates by commodity or by type of farm; but time rates and the hourly equivalent of piece rates do vary considerably, even within an area, according to the product upon which the laborer is working. There are no statistics whatever showing the distribution of actual wage rates in a region around the crop reporters' average. Similarly, statistics of the average cost of production or the average importance of labor cost conceal similar variations around the average variations by regions of commodity, and by size of farm.

However, it is not difficult to formulate examples which will serve the purpose. In the following examples estimates of the importance of labor cost and the effect of minimum wages are probably overgenerous. They are based on the proportion wage bill to farm income in 1929 and do not take into account the declining importance of labor cost since that year. Neither do they reflect the probability that after the imposition of minimum wages the employers would concentrate employment among the more productive workers, would demand a higher standard of performance, and would increase the application of capital in their enterprises.

(1) Assume that a farm worker in North Dakota is paid $35 a month, that a month consists of twenty-five 10-hour working days, and that labor cost is 8 percent of the total cost of producing wheat. A 20-cent hourly minimum would increase his monthly wage to $50. Labor cost would be increased by about 43 percent and total cost about 3.5 percent. A 25-cent hourly minimum would bring his monthly wage up to $62.50; it would increase labor cost by about 78 percent and total cost by about 6 percent. A 30-cent hourly minimum would make his monthly wage $75; it would increase labor cost by about 114 percent and total cost about 9 percent.

(2) Assume that workers on apple farms are paid 25 cents an hour in the Yakima Valley of Washington, 20 cents an hour in western New York, and 15 cents an hour in the Shenandoah Valley of Virginia, and that the labor cost in these three areas is 30 percent, 25 percent, and 20 percent, respectively, of the total cost of producing apples. A 20-cent hourly minimum would presumably not affect the first two areas; in Virginia it would increase labor cost by 33 percent and total cost by about 7 percent. A 25-cent minimum would increase labor cost

by 25 percent in New York and 67 percent in Virginia; it would increase total cost by about 6 percent in New York and about 13 percent in Virginia. A 30-cent minimum would increase labor cost by 20 percent in Washington, 50 percent in New York, and 100 percent in Virginia; it would increase total cost by 6 percent in Washington, 12.5 percent in New York, and 20 percent in Virginia.

(3) Assume that in Ohio agricultural day laborers are paid $2 for a 10-hour day without board, and monthly hands are paid $40 without board. Assume that for onions, using day labor, the labor cost is 20 percent of total cost; and that for animal specialty farms, using monthly labor, labor cost is 6 percent of total cost. A 20-cent minimum would not affect the onion farms, but would increase the labor cost of the corn-hog farms by 25 percent and the total cost by 1.5 percent. Under a 25-cent minimum, the labor cost of the onion farms would be increased by 25 percent and the total cost by 5 percent; the total cost of the corn-hog farms would be increased by about 56 percent and the total cost by about 3.5 percent. A 30-cent minimum would increase labor cost by 50 percent on the onion farms and by 87.5 percent on the corn-hog farms; it would increase total cost by 10 percent on the onion farms and by 5.25 percent on the corn-hog farms.

To generalize, the effect of minimum wages upon the total cost of production would be greatest in the case of low-wage areas which produce commodities that are heavily labor using, and least in the case of high-wage areas which produce commodities for which labor is not an important factor of production. Thus, the cost of production on general farms in Massachusetts would be virtually unaffected, but the cost of producing oranges or spinach in Texas would be sharply increased. Products raised in high-wage areas and using considerable labor, and products raised in low-wage areas and using little labor, would be moderately affected.

IV. EFFECT UPON COMMODITY PRICES

Would the additional cost of minimum agricultural wages be absorbed by the farmer or passed on to the consumer? And if they were passed on to the consumer, to what extent would commodity prices be affected? The second question will be answered first.

Considerably less than half of the consumer's food dollar, in most cases, is returned to the farmer for raising the products. The rest is absorbed on the long route from the farm to the retail store—by packing and processing establishments, by transportation agencies, and by the complicated hierarchy of middlemen. It has already been shown that the percentage of increase in the farmer's total cost of production would be much smaller than the increase in labor cost. This increase in total cost, in turn, would be considerably diluted by the time the consumer paid for the finished commodity on the retail counter. Gross proceeds to the farmer as a percentage of the consumer's dollar were investigated by the Federal Trade Commission in 1937; 29.4 percent of fresh-fruit prices at chain stores, it was found, represented the gross return to the grower. The farmer received 34.78 percent of fresh-vegetable prices, 35 percent of wheat-flour prices, 40 percent of beef prices, 45 percent of veal prices, 40 percent of pork prices, and 50 percent of milk prices. The farmer's share of the prices of manufactured products was naturally smaller—13 percent of the price of bread, for instance, and 12 percent of the price of tobacco.

Let us return to some of the examples in section 3, and assume that all of the additional cost is passed on to the consumer. A wheat farmer who paid his labor $35 a month without board might find that his total cost of production was increased 3.5 percent by a 20-cent hourly minimum, 6 percent by a 25-cent minimum, and 9 percent by a 30-cent minimum. If returns to the farmer are about 35 percent of retail flour prices. then a 20-cent minimum wage would increase the retail price by about 1.2 percent, a 25-cent minimum by about 2.1 percent, and a 30-cent minimum by about 3.1 percent. If the farmer gets 13 percent of the consumer's bread dollar, then a 20-cent minimum wage would increase the price of bread by about 0.5 percent, a 25-cent minimum by about 0.8 percent, and a 30-cent minimum by about 1.2 percent.

It was suggested that an Iowa corn-hog farmer might find his total cost of production increased 1.5 percent by a 20-cent minimum wage, 3.5 percent by a 25-cent minimum, and 5.25 percent by a 30-cent minimum. If this farmer received 40 percent of the consumer's pork dollar, then retail pork prices would be increased 0.6, 1.4, and 2.1 percent, respectively, by the three hypothetical minimum wages.

The effect upon the consumer would naturally be the most pronounced in the case of a commodity which is produced in a low-wage area, for which farm labor is an important factor of production, and in the retail price of which the returns to the grower are an important constituent. As a sort of limiting case, let us return to the example of Shenandoah Valley apples. We assumed that farm workers were paid 15 cents an hour and that labor cost was 20 percent of the total cost of production. A 20-cent minimum wage, it was estimated, would increase the cost of production by 7 percent, a 25-cent wage by 13 percent, and a 30-cent wage by 20 percent. If 30 percent of the consumer's dollar is returned to the grower, then a 20-cent wage would increase the retail price by 2.1 percent, a 25-cent wage by 3.9 percent, and a 30-cent wage by 6 percent.

If the additional cost of minimum wages were passed on to the consumer, it appears that the effect upon commodity prices would not be very great. In very few cases would it be more than 2 or 3 percent, and in many cases less than 1 percent.

Such an increase in commodity prices, if it were necessary, would not seem unjustified. It is desirable that the consumers of a product pay a sufficient price to support the workers who contribute to its production. Any benefit which the consumers receive from the low prices of a parasitic industry is paid for many times in other ways. Society is not benefited, for instance, when cheap clothing is made available because of the exploitation of sweatshop labor. There seems to be no valid reason why the consumers of agricultural products should not pay enough so that farm workers may receive a wage which is considered the minimum that anyone should be asked to work for. In this case, at any rate, an increase of 1 or 2 or 3 percent does not seem excessive if it permits the establishment of adequate wage standards for agricultural workers.

If it were demonstrated, on the other hand, that a considerable proportion of the additional cost would be absorbed by agricultural employers, this would not mean that it would have to come out of the dirt farmer's already empty pocket. In the contemporary political context the emptiness of the dirt farmer's pocket is the most powerful symbolic inhibition against social legislation for agricultural workers, but actually it is neither a serious issue nor an especially relevant consideration in this connection. Most small farmers either hire no labor or else hire very little, and many become agricultural wage workers during part of the year. That minimum wages would create a competitive advantage for the small farmer as against the large operator will be indicated in the next section of this paper.

It is ordinarily assumed by economists that any increase in the cost of production—a processing tax, for instance, or the imposition of a tariff on an imported raw material—will be passed on to the consumer. There are valid reasons for doubting that the cost of minimum wages would be entirely passed on in this case. The strongest of these reasons is that the increase would be so small. How, for instance, can the price of a 10-cent pound loaf of bread be increased by 1 percent? How can the price of a 6-cent pound of onions be increased by even 5 percent? Many agricultural products are bought in such small units that insignificant changes in price are impossible under our present monetary system.

Another reason is that economic theory in predicting that the consumer meets any increase in cost assumes that appropriate changes in supply will bring about this result, but the adjustment of agricultural supply to a change in conditions is not made quickly. The importance of fixed costs in agriculture, the sociological nature of the producing unit, and the fluctuations of farm prices from year to year all prevent a speedy adjustment. It comes slowly as farmers gradually substitute one crop for another and the pattern of territorial specialization in agriculture is altered.

To the extent that the increase in cost is not passed on to the consumer it must be divided between the grower and the various middlemen—packers, processors, manufacturers, wholesalers, etc. The nature of this division is an institutional question whose answer depends on the relative bargaining position of the parties concerned. The lack of competitive prices in transportation, the extent of integration and monopolistic control in the food-manufacturing and tobacco industries, and the fact that in many areas a few handlers and shippers are the only customers of a large number of growers indicate that the margins of the middlemen would not easily be reduced.

V. EFFECT ON LARGE AND SMALL PRODUCERS

Would minimum wages for agriculture increase the competitive disadvantage of small farmers, or would they instead allow them to compete more effectively with large operators?

Representatives of large-scale and commercialized producers continually invoke the poverty of the little farmer as an argument against legislative protection for agricultural workers (as well as workers in packing, processing, and marketing establishments). The redefinition of agricultural labor contained in the social-security amendments of 1939, for instance, was sponsored by the agricultural producers' labor committee and supported by a theory that coverage of fruit-packing workers constituted a discrimination against the small grower. Minimum wages are similarly opposed on the ground that, although the large farmer might be in a position to pay them, the little dirt farmer could never afford to do so and would be driven off the land. The prominence of this argument makes it especially necessary that the differential effect of minimum wages upon large and small farmers be analyzed.

(1) The majority of American farms, it was mentioned above, employ no labor at all during the year. They are manned entirely by the operator and his family. To the extent that their production is for commercial purposes, as distinguished from family living, they compete with large farms on the commodity market. Obviously the competitive position of these nonemploying farmers would be improved by the introduction of a minimum wage for agriculture. Their money cost of production would be unaffected, but the money cost of their larger competitors would be increased.

To the uncertain extent that commodity prices rose (see sec. 4 of this paper) there would be a direct financial benefit, as well as an improvement of competitive position. The possibility of this financial benefit is evidence of a rather fundamental relationship—the family labor of working farmers competes on the commodity market with the hired labor of agricultural employers. Here is the meaning of the familiar proposition that the economic status of the working farmer is not much higher than that of the agricultural wage laborer, and here is an economic motive for the small growers in the Grapes of Wrath who would have preferred to pay higher wages than those enforced by large growers in the community.

Many small farmers, of course, hire out as agricultural laborers during part of the year. In 1934 over 70,000,000 man-days of agricultural labor were performed by American farm operators working on other farms. (Census of Agriculture, 1935.) It is well known also that unpaid members of farm families constitute another important source of seasonal wage labor. The effect of minimum wages upon this part of the farm population would obviously be beneficial.

(2) Another aspect relates to the exempted employing farmer, who employs too little labor to be covered by the law. If a wage differential were established between exempted and covered employers, a competitive advantage for the former would be apparent. But we cannot assume that the exempted employers would find their wages entirely unaffected when others in the same community were required to pay more. It might even be argued that they would be unable to secure labor for less than the legal minimum, and that therefore the exemption would be of no benefit.

The possibility of a wage differential would depend upon (*a*) the degree of oversupply of farm labor and (*b*) the extent to which covered employers were incidental or predominant in the agriculture of the community. Under present circumstances, in the opinion of the author, the wages paid by the small employers would rise somewhat but remain below the minimum.

(*a*) If there were a shortage of labor—if the agricultural labor market were a seller's market—the exempted employers would probably have to pay a wage close to the legal minimum. Even if there were not a shortage, the bargaining position of the wage workers would be improved through the fact that some of the employers were forbidden by law to hire them for less than the minimum. If there were a large oversupply of labor, however, the bargaining position of any individual worker would not be materially improved, because the pressure of unemployment upon the labor market would not be materially lessened. The disparity between the wages of covered and exempted farmers would thus be greater where and when a large oversupply of labor existed. It would be likely to rise and fall in a seasonal cycle, reflecting seasonal changes in the number of unemployed farm workers. The seasonal swings of average agricultural wages, which are rather small at present, would perhaps be accentuated.

This analysis in terms of the supply of labor should be modified by other considerations. In the first place, many workers would be in and out of the larger farms, would become accustomed to the higher wages, and would be less satisfied to return to work on the smaller farms for lower pay. In the second place, the nature of the informal influence exerted by large employers would be altered. At present the large grower has a greater economic interest in low wages than the small grower, and many observers have testified that wage rates in their communities are dictated by the more influential and substantial farmers. But were a minimum wage applied to these employers, their economic interest would lie in the direction of having their exempted competitors pay as much as possible, and their influence would be exerted to that end. In the third place, small and exempted employers might discover that they were getting a poor selection of workers and, therefore, might find it necessary to raise their wages in order to get satisfactory help.

(*b*) In a region where almost none of the employers and only a minority of the workers were covered the upward pull upon the wage rates of the exempted employers might not be significant. The better workers would gravitate to the covered employers, but they would constitute a small aristocracy of labor, and their prosperity would not be diffused to their brethren on the exempted farms. But were many of the employers and almost all of the workers were covered, it would be considerably more difficult for small employers to pay less than the legal minimum.

If a minimum wage were applied at the present time the wages of exempted employers would be raised to some extent but probably not to the level of the legal minimum. The oversupply of farm workers overshadows any factor tending to prevent a differential; observers state that there are three workers for every job in some areas, and the high degree of unemployment in the agricultural labor market in general is accepted as a fact by everyone.

(3) A minimum-wage law which raised the labor cost of large and small employers in the same proportion would nevertheless create a competitive adadvantage if wage labor were typically a more important factor of production for one group than for the other group. If labor cost, in other words, were a less significant constituent of total cost on small farms, then a minimum-wage law would benefit a small employer, even if he were covered, as against a large employer.

If we compare a very small employing farm unit a very large employing farm, we can conclude without danger of contradiction that wage cost is a larger part of total cost on the latter; the small farm produces almost entirely with family labor, the large farm almost entirely with wage labor. For intermediate cases we cannot be so sure. The larger farms will probably have a higher proportion of hired workers to total workers than the smaller farms, but this is not the same thing as a higher proportion of wage cost to total cost. If laborers on the larger farms were more efficient and had more and better equipment to work with, their higher productivity might decrease the wage cost per unit until it was lower than that of the smaller farms. Unfortunately, we do not have the necessary data to make any prediction with regard to these intermediate cases.

VI. EFFECT ON THE ORGANIZATION OF THE AGRICULTURAL LABOR MARKET

It is dangerous to generalize about the agricultural labor market because employment relationships are so heterogeneous. Many types of workers do farm labor—hired hands, resident seasonal labor, seasonal labor from nearby towns and cities, migratory workers, contract workers, etc. But one generalization can be made which is not likely to be disputed: The agricultural labor market is the most casual, disorganized, and overpopulated in the United States.

Chance hiring is the hallmark of a casual market—first come, first engaged; frequent termination and resumption of employment; everyone having some chance of a job and, therefore, no one being sure of it. In agriculture the individual jobs are relatively short, the employment relationship is not continuous, and it is often immaterial to the employer whom he hires. Access to the agricultural labor market is easy; almost anyone has an opportunity to get some work and to dilute the employment of other workers. In a period when the high birth rate of the rural population is not compensated by expanding urban industries, when farmers and their families are driven out of their holdings, and when permanently employed agricultural wage workers are displaced by mechanical improvements, there are many indeed who must take advantage of this opportunity. The dilution of employment is limited only by the necessity that the wage income plus any available public relief be sufficient to keep one alive and able to work. Thus, although few are unemployed all of the time, there is a tremendous oversupply of labor.

Another way of explaining why so many people are able to get some work and so few are able to get enough work is to indicate the several aspects or components of the labor reserve in agriculture: (*a*) One component of the labor reserve is made necessary by the seasonality of labor requirements; the employment of agricultural wage workers doubles between January and July. (*b*) Another results from friction and immobility. Different crops and different areas have their own seasonal peaks of labor demand, and to some extent each has its own labor reserve. This immobility is partially spatial; the peak labor demand in Florida comes during the dead season in North Dakota. It is partly occupational; different crops and operations require different skills and physical attainments. It is partly due to the fact that some agricultural jobs are held in lower social esteem than others. (*c*) A third component results from uncertainty with regard to the exact extent or timing of labor demand; in a particular area, for instance, harvesting may proceed quickly or slowly, depending upon the condition of the weather and the commodity market. Therefore agricultural employers are likely to attach a very specialized meaning to the conception of "an adequate labor supply." To them the term may connote a supply large enough so that every grower could harvest simultaneously without having to worry about a lack of workers. For this reason the employers frequently complain of an inadequate labor supply at the same time as the workers are seriously underemployed. (*d*) An integral factor in the dilution of employment and the maintenance of a large labor reserve is the unproductive loss of time which is the consequence of undirected job seeking and labor recruiting; 71.4 percent of all the agricultural laborers interviewed in a national survey by Vasey and Folsom stated that they secured employment through their own efforts or the help of their friends, while 75.1 percent of the employers said that they found it necessary to engage in a personal search for workers.

Another characteristic of the agricultural labor market is the employment of nonprofessionals—workers who are only temporarily in the market. W. S. Woytinski has estimated that from 30 to 35 percent of farm workers are engaged in agricultural labor only as a seasonal occupation and retire when the harvest is over. There are many other workers who have only seasonal employment, of course, but they are distinguished by the fact that they would prefer year-round employment; they are continuously in the labor market. There are several categories of nonprofessional farm workers. Small farmers take employment on other farms; farm wives and children take seasonal jobs; people from cities and towns go into the country for the summer, etc. The consequent position of the professional farm laborer is analogous to that of a longshoreman who has to compete with hoboes and college boys or a newspaperman who has to compete with young people who are "willing to work for the experience." The accessibility of a labor market to nonprofessionals is a well-established wage-cutting influence, and the decasualization of a trade usually necessitates closing the door to them.

How does labor migration fit into this picture? Migration in its best aspect represents the dovetailing of regional peaks in labor demand; it is a method of adjusting to the seasonality of labor requirements that permits a lengthening of the annual working period. But migration has other aspects. It is often duplicating; thus, many families move into Colorado while other families are moving out of the State, and the same is true of Texas. It is sometimes the overt expression of desperation, without knowledge or even expectation of employment opportunities at the destination. Much migration, moreover, is apparently a function of the wage rate; when the wage is so low that local residents refuse to take the jobs, workers from other areas whose situation is more desperate or whose standards are lower must be brought in.

Minimum wages would be a rationalizing influence in several respects, although it is hardly likely that they would completely decasualize the agricultural labor market.

(1) At the present time the efficiency of agricultural workers is often not a serious consideration to their employers. Many workers are paid by the piece; and even under time wages labor is cheap and does not have to be particularly economized. When a crop is being harvested, of course, it is desirable to have the job done quickly; but a low level of efficiency can be compensated by the employment of more people, and there is often no immediate hurry in the consummation of nonharvesting jobs. Therefore the efficient workers are not sharply distinguished from the inefficient on the labor market.

A minimum hourly wage would tend to establish such a distinction. To a greater extent than they do now, employers would prefer one laborer to another. They would find it profitable to cultivate continuous relations with the satisfactory laborers. In this way the practice of chance hiring, under which the odds of getting a job are about equal for all workers and employment is distributed according to the normal curve of error, would be of diminishing importance.

(2) The higher standards of performance would have further consequences. Many of the women, children, and old people who are now able to secure work would be eliminated. To the extent that the nonprofessional or temporary workers are less efficient than the year-round workers, there would be a tendency to eliminate them also. (Because of the extreme seasonality of agricultural labor requirements, however, it is questionable that the nonprofessional would ever be entirely eliminated.) The vacation character of agricultural work would probably disappear for those workers for whom it is now a vacation.

(3) Minimum wages would probably encourage unions. Agricultural laborers would find that compliance on the part of the employers could be best insured by the provision of articulate representatives; and once admitted to citizenship under one of the Federal statutes, they would be encouraged to organize for further gains. Some of the present barriers to unionism would be eliminated. Higher earnings would make it possible to support an organization, whereas at present agricultural unions can be kept alive only by continual subsidies from various sources. Nonprofessional temporary laborers are among the most unorganizable; to the extent that they were eliminated, organization would become more feasible. Any regularization of employment relations would ameliorate the situation under which a union has to organize fresh workers every season. It is impossible to say just how important the encouragement to unionism would be; certainly many of the well-known difficulties of organizing agricultural workers would remain, and resistance on the part of agricultural employers would continue to be strong. But if unionism were successful, its inevitable tendency would be to attempt to regularize and decasualize the labor market, as the longshoremen's union has done in San Francisco.

(4) Minimum wages might increase migration in one way and decrease it in others. To the extent that workers became differentiated according to relative efficiency, and to the extent that inefficient, substandard, and nonprofessional workers were eliminated, there would be more opportunity for productive migratory laborers to move from one peak of labor demand to another and fill most of the year with employment. On the other hand, any excessive recruiting of migrants on the part of labor bureaus and employers' organizations which is now motivated solely by a desire to maintain low wages would lose its point, since minimum wages would be established by law. The migration which arises out of pure desperation would be lessened. Migration of low-standard or economically distressed workers into areas where local labor is sufficient to do the work, but does not consider it worth while at the wage, would be reduced or eliminated.

VII. EFFECT UPON AGRICULTURAL EMPLOYMENT

Reasoning about the effect of minimum wages upon the volume of agricultural employment must be extremely speculative. One can mention some of the possibilities, however.

(1) Any substantial decasualization of the agricultural labor market, although it would not reduce the number of jobs, would reduce the number of people filling these jobs. The chance hiring, the lack of direction, and the consequent dilution of employment and unproductive loss of time in seeking it would be lessened. If the average worker were employed a greater share of the time, there would obviously be opportunity for fewer people to be employed part of the time. A labor

market which adequately supports a smaller number of laborers seems preferable to one which spreads the work so thin that the income of the majority is miserably low, that human vitality is sapped, and that the widespread assistance of partial public relief is necessary.

(2) The system of using family labor in various crops might be affected. Family labor is at present always paid by the piece or the share. Employers find that wages can be lower if all the family works; it is immaterial if the wives and children are not so efficient as they might be, so long as they are paid by the piece; and the head of the family finds that the labor of the other members is necessary to supplement his income. If it were necessary to pay every worker a certain wage for every hour, the employer would want only those members of the family who could do a full job. The incentive to use such a system—that piece rates can be lower if several members of a family can pool their earnings—would be eliminated. Adequate earnings for the chief breadwinner might eliminate the necessity he now feels to utilize the earning capacity of his dependents.

(3) Many cotton planters have the option of producing "wage cotton" or "share cotton." The advantage of producing under one system or the other is determined by the relationship between cotton prices and the wages of cotton laborers. Recently the advantage has been on the side of wage cotton, and this has been one reason for the expulsion of sharecroppers and the utilization of wage labor. Minimum wages for agricultural workers might restore the advantage of share cotton and revive the cropping system in areas where it has been on the decline. This might be offset, of course, by the other advantages of wage cotton (mechanization, in particular), and would depend on whether any provision were made for sharecroppers in a system of wage protection. It might become profitable to introduce sharecropping in certain crops, such as sugarcane, which are now produced with wage labor. Minimum wage legislation might be accompanied by safeguards intended to prevent these inspired shifts in tenure status.

(4) The effect of minimum wages upon employment would also depend upon the extent to which mechanization of agricultural operations was stimulated. The unmechanized operator in a partially mechanized crop, such as wheat or corn, would certainly feel a competitive disadvantage. Minimum wages would probably accelerate the use of agricultural machinery which is already practical and is either in partial use or has been discouraged by the availability of cheap wage labor. One of the reasons why mechanical cotton pickers are not used commercially at present is that mechanically picked cotton commands a lower price on the market. But if wage costs rise, it might be profitable to pick by machine and take the lower price. There would also be a greater incentive to mechanize some of the heavily labor using operations if labor should become a more expensive factor of production. Some of these operations, however, are probably unmechanizable, and others would be mechanized anyhow if practical machinery were at hand.

(5) Other effects upon employment might be caused by a shift to less labor using crops. Nothing definite can be said about such a shift; it would depend upon the proportion in which the additional cost of minimum wages was divided among consumers, middlemen, and farmers, and the degree of substitutability of farm products on the commodity market. The extent to which crops like grain, which use little labor, can be substituted in the consumer's budget for crops like sugar and fruit, which use much labor, is probably small.

(The following recommendations were submitted subsequent to the hearing and accepted for the record:)

RECOMMENDATIONS OF THE INTERSTATE CONFERENCE ON MIGRATORY LABOR (MARYLAND, DELAWARE, NEW JERSEY, AND VIRGINIA), BALTIMORE, MD., FEBRUARY 12 AND 13, 1940

The conference recommends—

That an up-to-date survey of the migratory labor problem, including the actual needs for migratory labor, be made in each of the four States by the appropriate agency, or agencies, assisted where necessary by Federal agencies.

That ways and means be devised, through cooperation with farm groups and individual farmers, to eliminate the use of migratory labor as much as possible by the employment of local labor.

That the same opportunities and services for education, school attendance, health, relief, housing, and sanitation be made available for migratory labor families as are available to the residents of the communities in which they work.

That these be the responsibility of the community and the State, with Federal aid to assure equal opportunities and services for migrants (as well as for residents) where State and community resources are insufficient, provided that Federal aid be made available on condition that the States and communities receiving aid agree not to discriminate between residents and migrants.

That housing and sanitary regulations be adopted, or made applicable to, the shelter of migratory and seasonal labor, similar to those existing in the more progressive States for tourist camps; and that adequate appropriations and personnel be made available to the appropriate State agency to enforce these regulations.

That each State study the administration of existing laws as applied to migrants, with a view to removing inconsistencies, overlapping jurisdictions, and filling in the gaps.

That relief workers who accept temporary jobs be assured that they will immediately be restored to the relief rolls when their jobs are over.

That laws regulating private employment agencies be amended so as to apply to contractors for agricultural labor and to make the control effective.

That the State employment services develop machinery for estimating needs and for recruiting and routing labor.

The conference recognizes that the conditions surrounding employment of children in industrialized agriculture, in which most migratory child labor is found, are vastly different from those of children working on their parents' farms. It therefore recommends a 14-year minimum age for employment in industrialized forms of agriculture, with adequate certification of age, for the protection of the employer and the child. (This does not include the work of children for their parents on their parents' farms.)

The conference further recommends—

That State conferences on migratory labor be called by the labor commissioners to develop means of putting agreed-upon standards into effect.

That the sponsors of the Interstate Conference on Migratory Labor constitute themselves a committee, with added membership from the conference, to follow up its recommendations and to reconvene the conference from time to time.

SEVENTH NATIONAL CONFERENCE ON LABOR LEGISLATION, WASHINGTON, D. C., DECEMBER 9, 10, AND 11, 1940

REPORT OF THE COMMITTEE ON MIGRATORY LABOR

In response to the seasonal labor requirements of agriculture, industry, and some service trades in many different sections of the country, large-scale migrations of workers, often with their entire families, have been set in motion. Many communities have had, in consequence, to face acute problems of housing, health, and sanitation; many migrant families have gone without school facilities, medical care, and other badly needed types of assistance. Wages have been depressed by the influx of migrants to the detriment of local labor, as well as of the migrants. The problem has been intensified by the drift of farm families off the exhausted and overcrowded farm lands at a faster rate than they could be absorbed in other employments during recent years. The lure of jobs on the national-defense program is a new magnet for both seasonal migratory workers and "removal" migrants.

No single agency or program can cope with all the types of problems involved.

This committee recommends that the following items receive special emphasis in dealing with these problems:

1. *Employment service.*—It is important to establish a system of interstate clearances and referrals for labor, both agricultural and nonagricultural, through the State employment services, and the Federal Bureau of Employment Security with which they are affiliated, in anticipation of the requirements of the national-

defense program and of labor shortages arising therefrom. Such a system, when well developed, will benefit migratory labor, local labor, employers, as well as the community at large by regularizing the labor market.

In order to secure as much local labor as possible, machinery needs to be perfected for the quick release of Work Projects Administration workers and persons on relief rolls with suitable experience and qualifications for available temporary or seasonal jobs under reasonable conditions and an equally prompt restoration to Work Projects Administration or relief status when these jobs are over.

2. *Regulation of labor contractors.*—Effective control of labor contractors and employment agencies must be established as to both interstate and intrastate placements. States are urged to strengthen existing laws or to enact new legislation in line with the suggested language for a State bill to regulate private employment agencies, as recently revised by the Secretary's committee. The committee approves the principles of regulation of interstate placement operations as embodied in the draft bill prepared for the interdepartmental committee, with the proviso that interested State agencies have access to the information registered by the contractor, employment, or recruiting agent with the Federal enforcing agency.

3. *Extension of labor laws.*—Labor and social security legislation embodying standards endorsed by these national conferences on labor legislation should be extended to cover all workers, including those in canning and processing industries (now often exempted) and in industrialized agriculture. This will raise the standards of many residents as well as migratory workers.

The committee recommends that minors under 16 years of age, resident and migratory, be required to attend school, and that school facilities be provided with State or Federal aid if needed. This committee endorses the recommendations of the child labor committee of this conference with respect to industrialized agriculture.

4. *State conferences.*—The committee recommends the leadership of those labor commissioners who have undertaken to sponsor interstate conferences on migratory labor and hopes that others will follow, bringing the interested State agencies together with the regional and State offices of Federal agencies, in particular the departments of health, education, agriculture, public welfare, Work Projects Administration, labor, and the employment service. These conferences can be useful in arousing public interest, and in establishing continuing contacts between the State agencies for the carrying on of State programs.

5. *Federal agencies.*—The committee believes that some coordination of the activities involving migrants of the various Federal agencies is desirable.

It particularly asks that these Federal agencies cooperate with the State departments, keeping them fully informed concerning studies and programs undertaken in the respective States. Federal-State cooperation is essential in dealing with so complex a problem.

The Army, the Navy, and the Defense Commissions, both Federal and State, are urged to give serious consideration to the typical migrant problems that are bound to arise when large masses of workers are attracted to sites of defense projects that are unprepared to receive them. State authorities should watch for and signalize these developments, so that there may be advance planning to take care of housing, sanitation, health, and relief needs.

6. *Housing.*—Wherever seasonal labor is temporarily housed, acute problems of shelter and sanitation will arise. State and local sanitary codes should apply to camps of all sorts housing migrants. The inspection of labor camps belongs in the State department of labor.

The Farm Security Administration camps have provided very necessary emergency housing for agricultural labor, and while further housing of this sort is needed, it is no substitute for a diversified housing program in which States and localities assume their share of responsibility.

There is immediate need for housing programs for nonagricultural workers, which is especially acute in connection with defense projects, and which will require prompt cooperative action by State, Federal, and local authorities if great hardship and suffering are to be avoided.

7. *Rehabilitation.*—Programs in areas from which migrants come are welcome as a means of adjustitng the tide of migration to the possibilities of absorption elsewhere.

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To insure the success of programs for solving the problems connected with migratory labor, the committee believes that it is important to obtain the understanding and cooperation of employers of migratory labor, as well as of other groups in the community.

JOHN J. TOOHEY, Jr., *Chairman*, New Jersey.
E. C. BURRIS, Montana.
BEN T. HUIET, Georgia.
JOSEPH E. KILLOUGH, Alabama.
C. GEORGE KRUEGER, New Jersey.
J. NEWTON MAXEY, Virginia.
LEON H. RYAN, Delaware.

RECOMMENDATIONS OF INTERSTATE CONFERENCE ON MIGRATORY LABOR (ALABAMA, FLORIDA, GEORGIA, NORTH CAROLINA, AND SOUTH CAROLINA), ATLANTA, GA., DECEMBER 17 AND 18, 1940

Sponsored by the labor commissioners of the five States, the conference brought together about 200 representatives of the State departments of labor, education, health, public welfare, and agriculture; representatives from corresponding Federal agencies; and officials of labor, farm, and civic organizations.

The conference adopted the following recommendations:

EMPLOYMENT AND RECRUITING OF LABOR IN DEFENSE INDUSTRIES AND IN AGRICULTURE AND OTHER SEASONAL EMPLOYMENT

Migration of workers with their families in search of jobs that fail to materialize, or the arrival of larger numbers than can be put to work or housed at the site of jobs, are responsible for many of the acute problems which this conference was called to consider. Any steps tending to regularize the migratory-labor market will help to reduce the problems of health, housing, and sanitation and will improve the annual incomes of those who are dependent upon these jobs.

The conference therefore recommends—

(1) That information on job possibilities be compiled and kept up to date in the regional offices of the Bureau of Employment Security, in order to provide the State employment offices with advance information on employment opportunities. This information should include full detailed data relative to defense projects and contracts of the Army, Navy, and other agencies and advance job inventories on prospective employment opportunities. Information developed in the regional office should be submitted to local offices as soon as possible after the projects have been allotted.

Such a service, developed nationally by public employment offices and applying to all seasonal or fluctuating employments, as well as defense industries, would permit the local employment offices to give definite informational service to applicants, and so advise against and reduce the "blind migration" which is wasteful and costly to our communities and to our economy.

Information made available by the various State agencies should emphasize the undesirability of workers moving out in search of jobs until a definite job order is at hand.

This program should be undertaken in full working cooperation and consultation with organized labor and industry.

The conference strongly recommends that additional funds be made available in order adequately to carry out the above recommendation.

(2) That there should be Federal licensing of all private employment agents, agencies, and labor contractors operating across State lines, as well as regulation of interstate job advertising, for the purpose of preventing fraudulent misrepresentation of job opportunities, exorbitant fees, and all other illicit and speculative traffic in human labor;

That the bill drafted for the Interdepartmental Committee to Coordinate Health and Welfare Activities for the regulation of interstate operation or private employment agencies and labor contractors be passed by Congress;

That uniform laws be passed by the States to license and control intrastate operation of private employment agencies.

EXTENDING COVERAGE OF LABOR AND SOCIAL-SECURITY LAWS

The conference recommends that the coverage of labor and social-security laws, both State and Federal, be extended to all workers now excluded, including workers in industrialized agriculture and in processing and packing of agricultural products.

Specifically, this means giving these workers the needed protection of such laws as workmen's compensation, child labor, wage-and-hour laws, wage-payment and wage-collection laws, the Fair Labor Standards Act, legislation for collective bargaining, unemployment compensation, old-age and survivors' insurance.

It also means that, in order to realize the benefits intended by the laws, the States should make adequate appropriations and employ suitable personnel for the administration of all laws for the protection of migratory workers.

HEALTH, SANITATION, AND HOUSING

Among the most important problems created by the large-scale migration of workers are those of health, sanitation, medical care, hospitalization, and housing. The development of the Military Establishment and defense industries has attracted many thousands of workers and their families without adequate provision being made for housing and health protection. The conference believes that the migration of workers is not a problem concerning one State alone but is interstate in character, and hence a national responsibility.

It recommends—

(1) That in every area in which there is a defense project there be provided adequate health care through establishment of a full-time accredited local health department, adequitely staffed and equipped, or through augmentation of existing full-time health departments, sufficient to meet demands made by the emergency, and that adequate medical care be provided for the migrant workers and their families.

(2) That an immediate and realistic program be inaugurated to house the workers attracted to Federal-defense projects.

(3) That wherever there is a congregation of migrants in agriculture or industry, full-time health service and medical care be provided, and adequate housing facilities be made available, and that Federal funds be made available to State health departments through title V (maternal and child health) and title VI (public-health work) of the Social Security Act.

(4) That additional funds be appropriated to provide decent housing for low-income farm families and farm laborers; that the migratory-labor housing program of the Farm Security Administration be continued and expanded to meet urgent needs; that funds be provided for the purpose of rehabilitating and resettling farm families, when needed in order to stabilize them at reasonable income levels and thus serve to reduce future migrations.

(5) That housing and sanitary regulations be adopted for, or made applicable to, the shelter of migratory and seasonal help, similar to the best type of State regulation for tourist camps. Adequate appropriations and personnel should be made available to the appropriate State agency for enforcement.

PUBLIC WELFARE AND ASSISTANCE PROGRAMS

The location of defense projects in the southeastern States, the clearing of large areas for cantonments and air bases, as well as the continuing agricultural migration mean that these States will witness large-scale migration in the immediate future and that there will be considerable need of assistance for needy migrants and migrant families.

The present programs of assistance fall far short of meeting the situation that exists now, and will be increasingly inadequate as various stages of the defense program are completed, and workers are thrown out of jobs. A survey of the five States in this region shows that even such programs as do offer any help to migrants are inadequate to take care of more than a small fraction of present needs; that voluntary agencies are totally unable to cope with the situation; and that there is no general relief at all for employables.

The conference recommends—

(1) That existing local, State, and Federal agencies with appropriate programs be more adequately financed, in order to furnish increased aid to migratory workers, to meet present emergencies.

(2) That the States receive Federal grants-in-aid, along lines similar to the

public assistance grants under the soccial-security program, for general relief. For migrants who have not yet acquired residence in a State to which they have come, the Federal Government should meet the full cost of assistance.

(3) The conference urges greater uniformity and liberalization of our settlement laws which now bar needy migrants from various forms of public assistance.

(4) The conference urges that both Federal and State Governments devise methods and plans to avoid having people stranded as sections of the defense program taper off; and

(5) That State, local, and Federal programs be more closely coordinated for more effective health, education, and recreation services, without discrimination on grounds of residence.

CHILD LABOR AND EDUCATION

I. *In connection with migration to national-defense projects.*—The maintenance of adequate educational opportunities for all children of the Nation is basic in our program of national defense. The conference calls attention to the fact that the defense program is resulting in the migration of many families to areas and communities not equipped to meet the increased demands for educational opportunities. The conference urges that immediate consideration be given by the appropriate State and local authorities to this need.

The needs created by the defense program are a responsibility of the Federal Government as well as of the States. The Conference, therefore, recommends that Federal aid be made available so that the States and local educational authorities may adequately meet the educational needs of the children.

II. *In connection with agricultural migration.*—There are special problems involving the welfare of children of migratory agricultural families, arising from both child labor and deprivation of educational opportunity.

Conditions surrounding employment of children in industrialized agriculture, in which most migratory child labor is found, are vastly different from those of children at home on their parents' farms. The conference therefore recommends a 14-year-minimum age for employment in industrialized forms of agriculture, and a 16-year minimum for employment during school hours.

The conference further recommends that the same opportunities and services for education and school attendance be made available for children of migratory labor families as are available to the residents of the communities in which they work. It urges that school services for all children in rural areas to be strengthened and that Federal aid be made available where necessary to equalize educational opportunities for the children of the Nation.

CARRYING OUT THE RECOMMENDATIONS

While the conference has adopted comprehensive and constructive recommendations for dealing with many phases of the migratory labor problem in this region, it yet remains to formulate methods of bringing these recommendations to the attention of people in legislative and administrative positions who can make them effective.

This conference therefore asks the United States Department of Labor to make available to the five State commissioners of labor sufficient copies of the recommendations to be sent by each commissioner to the congressional delegation from his State, to the Governor of his State, and to the members of the State assembly.

It further asks that copies of the recommendations and proceedings be transmitted by the United States Department of Labor in the name of the conference to the President of the United States; and that copies be mailed to each person invited to, or attending, the conference.

The conference urges that future conferences be called, of the five States here represented and of interested agencies within each of the States, to consider how to put these recommendations into effect and to consult further upon developments in the migratory problem.

The CHAIRMAN. Were there any other witnesses?

Dr. LAMB. Not for today; no.

(The committee thereupon adjourned until Thursday, Dec. 5, 1940, at 10 a. m.)

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